

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0263  
**COMPANY NAME** : BETAMEK BERHAD  
**FINANCIAL YEAR** : March 31, 2023

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>Board</b>") of Betamek Berhad ("<b>Betamek</b>" or the "<b>Company</b>") is collectively responsible for the stewardship of the business of the Company and its subsidiary (hereinafter collectively referred to as the "<b>Group</b>") and the creation of long-term success of the Group as well as the delivery of sustainable value to its stakeholders.</p> <p>The Board is guided by its Board Charter in discharging its fiduciary duties and responsibilities. The Board Charter has clearly set out a structured guideline that includes, but not limited to the following:-</p> <ul style="list-style-type: none"> <li>(a) Establish the organisation's values, vision, mission and strategies;</li> <li>(b) Reviewing and set up the Group's strategic plan and direction;</li> <li>(c) Promote better investors relations and shareholder communications;</li> <li>(d) Establish appropriate policies and procedures to ensure compliance obligation and functions are effectively discharged;</li> <li>(e) Ensure that all significant systems and procedures are in place for the organisation to run effectively, efficiently, and meet all legal and contractual requirements;</li> <li>(f) Ensure that organisation has appropriate corporate governance in place including standards of ethical behaviour and promoting a culture of corporate responsibility;</li> <li>(g) Approving and monitoring major projects including corporate restructuring/re-organisation; and</li> <li>(h) Overseeing the conduct and performance of the Group to ensure that they are being properly and appropriately managed.</li> </ul> <p>To ensure effective discharge of its stewardship role, the Board has established two (2) Board Committees, namely the Audit and Risk Management Committee ("<b>ARMC</b>") and the Nomination and Remuneration Committee ("<b>NRC</b>") to support the Board with oversight functions in selected responsibilities areas. The Board Committees are</p>

	<p>guided by their respective Terms of Reference (“<b>TOR</b>”) approved by the Board. The Board Committees have the authority to examine particular issues and report the same to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the Board.</p> <p>The Board Charter and TOR for all Board Committees are published on the website of the Company at <a href="https://betamek.com.my">https://betamek.com.my</a>.</p>	
<p><b>Explanation for departure</b></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><b>Timeframe</b></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 1.2

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>En Ahmad Subri Bin Abdullah, an Independent Non-Executive Chairman, is the Chairman of the Board. His profile is outlined under the Profile of Directors in the Annual Report 2023 of the Company.</p> <p>He leads the Board in adoption and implementation of good corporate governance practices in the Group and ensuring the 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 Group's financial and non-financial performance as well as the Group's long-term strategies.</p> <p>The Chairman also promotes constructive and respectful relations between Board members and between the Board and the Management. The Chairman also briefs all the Directors in relation to issues arising at meetings and encouraging active participation and allow dissenting views to be freely expressed.</p> <p>The detailed roles and responsibilities of the Chairman of the Board are specified under Section 6.2 of the Board Charter, which is published on the Company's website at <a href="https://betamek.com.my">https://betamek.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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 Board has always made the distinction that the position of the Chairman and the Managing Director (“MD”) does not reside with the same person for such division further provides for organisational check and balance for better governance.</p> <p>The Chairman of the Company is En Ahmad Subri Bin Abdullah, an Independent Non-Executive Chairman, whilst the MD is En Mirzan Bin Mahathir.</p> <p>The Chairman is responsible for leading the Board in oversight of management, representing the Board to shareholders and chairing general meetings of shareholders, whilst the MD is to ensure the implementation of the Group’s strategic plan and policies established by the Board as well as to manage the daily conduct of the business and affairs its smooth operations.</p> <p>The detailed roles and responsibilities of the Chairman and the MD are specified under Sections 6.2 and 6.4 of the Board Charter of the Company respectively, which is available on the Company’s website at <a href="https://betamek.com.my">https://betamek.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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> :	Since the listing of the Company, the Company has different individuals for the role of Chairman of the Board and the Chairman of its Board Committees.  The Chairman of the Board En Ahmad Subri Bin Abdullah, an Independent Non-Executive Chairman is neither a member of the ARMC nor the NRC of the Company. The Board upholds the Practice of restricting the Chairman of the Board from being a member of the ARMC or NRC.
<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>The Board is supported by two (2) external Company Secretaries, namely Ms Tai Yit Chan (MAICSA 7009143 &amp; SSM Practising Certificate No. 202008001023) and Ms Chan Yoke Peng (MAICSA 7053966 &amp; SSM Practising Certificate No. 202008001791). Both Company Secretaries are suitably qualified under Section 235(2) of the Companies Act 2016 ("<b>CA 2016</b>"), registered with the Companies Commission of Malaysia under Section 241 of the CA 2016 and both are issued with practising certificate by the Registrar of Companies.</p> <p>The Company Secretaries provide the required support and advice to the Board particularly on issues relating to the Company's Constitution, Malaysian Code on Corporate Governance, CA 2016 and Listing Requirements of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>"). The Company Secretaries are also responsible for the secretarial functions such as compliance with all statutory and regulatory requirements, providing unhindered advice and services for the Directors, as and when the need arises.</p> <p>The Company Secretaries attend all the Board and Board Committees meetings to ensure proper supply of relevant information as well as the accuracy and adequacy of meeting materials, recording of meeting minutes and resolutions and well-documented the deliberations at Board and Board Committees meetings and subsequently communicated to the Management for appropriate actions.</p> <p>The Company Secretaries also serve as a focal point for stakeholders' communication and engagement on corporate governance issues.</p> <p>The Company Secretaries constantly keep themselves abreast of the evolving regulatory changes and development in the realm of corporate governance through attending relevant conferences and training programmes. They have also attended the relevant continuous professional development programmes as required by the Companies Commission of Malaysia.</p> <p>Detailed information on the functional accountabilities of the Company Secretaries is encapsulated in the Board Charter, which is available on the Company's website at <a href="https://betamek.com.my">https://betamek.com.my</a>.</p>

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



**Intended Outcome**

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

**Practice 1.6**

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board meets at least quarterly with additional meetings convened as and when necessary. To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated to all Directors in advance for the Directors' consideration.</p> <p>The Board is provided with Notice of Board meetings setting out the agenda and issued to the Directors at least seven (7) days prior to the respective meeting.</p> <p>The relevant agenda papers and a set of Board papers are circulated to the Directors at least five (5) days prior to every Board meeting to enable them to have sufficient time to read the agenda papers and obtain further information and explanations, where necessary in order to have a meaningful deliberation on the matters to be tabled for decision making.</p> <p>Upon conclusion of the meeting, the minutes of meetings of Board and Board Committees are prepared within a reasonable period. The draft minutes are circulated together with the Board papers to members of the Board and Board Committee members at the following meetings of the Board and Board Committees prior to confirmation of the minutes by the Chairman as a correct record.</p> <p>The minutes of meetings properly recorded the decisions, including key deliberations, rationale for each decision made and any concerns or dissenting issues. In addition to the provision, the Directors, either as a group or individually, may upon obtaining prior Board's approval seek independent advice, where necessary, at the Company's expenses on any matters in relation to the discharge of their fiduciary duties as Directors of the Company.</p>
<b>Explanation for departure</b>	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

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

### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter sets out the key corporate governance principles for operations of the Board Group and describes the functions of the Board and those functions delegated to Management of the Company.</p> <p>The Board Charter is established to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and Management with regards to the role of the Board and its committees. The Board Charter does not overrule or pre-empt the statutory requirements and other relevant statutes. The Board Charter shall form an integral part of each Director's duties and responsibilities.</p> <p>The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remains consistent with the policies and procedures of the Board. The Board Charter is accessible on the Company's website at <a href="https://betamek.com.my">https://betamek.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has established the Code of Ethics &amp; Standard of Conduct Policy (“Code”) which engenders ethical conducts that permeates throughout the Group.</p> <p>The objective of the Code is to ensure that the Group business interactions should not in any circumstances, tainted by malpractices. The principle of the Code is based on principle of trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism.</p> <p>The Code requires all Group business activities to be carried out by observing high standards of behaviour and integrity including dealings with its customers, suppliers, government, regulators and investors. It is the responsibility of every employee to act in accordance with the Code and any updates or amendments, which may be issued.</p> <p>The Board will review and update the Code from time to time to ensure that it remains relevant and effective. The Code is available on the Company's website at <a href="https://betamek.com.my">https://betamek.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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 is committed to conducting its business according to the highest ethical, moral and legal standards.</p> <p>In line with this commitment, the Board has established a Whistleblowing Policy which aims to provide an avenue for employees, third parties and other stakeholders, on an anonymous basis if appropriate, to raise concerns or report any known or potential misconduct, violation of Group policies or applicable laws and regulations, without retaliation or retribution.</p> <p>The Whistleblowing Policy is available on the Company's website at <a href="https://betamek.com.my">https://betamek.com.my</a> and is subject to periodic review by the ARMC.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.1**

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Betamek recognises that good corporate governance practices and culture are the keys to success, sustainability and survival in the ever changing social, economic and political ecosystems in this business environment locally and globally.</p> <p>In view thereof, the Board has produced a Sustainability Statement guided by the materiality matrix established by the Group itself, to facilitate the development of a strategy for long-term value creation which aligns with the need of the Group. Through the materiality matrix, Betamek will be able to manage its sustainability agenda by determining key priorities.</p> <p>The Group has set four (4) strategic sustainability pillars which focuses on economic, environment, social and governance.</p> <p>In this respect, Betamek’s Sustainability Advisory Committee comprises Management team and representatives from Health, Safety &amp; Environment, Operation and Human Resources. They are responsible for materiality assessment, identification and monitoring of initiatives and actions, its execution and reporting.</p> <p>The Board is responsible for the ultimate deliberation and overseeing the Group’s corporate sustainability strategy and performance.</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 4.2**

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 Company recognises the importance of stakeholder engagement in identifying, understanding and responding to their concerns. The Group is committed and will continuously engage our stakeholders in a timely, effective and transparent manner.</p> <p>Our Investor Relations and Stakeholder Engagement Programme ensures that accurate and quality information about the Company’s developments, operations and financial performance reach a broad range of interest.</p> <p>These are communicated to its internal and external stakeholders via Sustainability Statement in Annual Report 2023 of the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is aware that Directors are expected to have a thorough awareness of sustainability-related issues and be able to work with Management to resolve them. The Board members stay informed about important advancements in sustainability through presentations of updates, reading and conversations.</p> <p>The Board is dedicated to keep up with sustainability concerns related to the Group's operations that are pertinent to the ever-changing operational environment, such as supply-chain risk and promoting labour rights, among others. This may include, but is not limited to, the Board's internal and external training and development programmes, as well as reading materials from international guidance and standards published by organisations such as the World Economic Forum, among others, on the Fourth Industrial Revolution for the Global Goals Platform and Integrated Corporate Governance, which were shared with the Board members.</p> <p>All the Board members had attended relevant continuous professional development programmes such as the Bursa Malaysia's Mandatory Accreditation Programme as a mandatory programme for the Directors to complete in line with the ACE Market Listing Requirements ("AMLR") prior to the Company's listing.</p> <p>The Company Secretaries will also update the Board on the changes of the AMLR upon receiving the circulars from Bursa Securities, which are relevant to the Company and provide advice on corporate disclosures and compliances which includes understanding of sustainability issues.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

The 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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	To assist the Board to monitor the creation, execution, and efficient management of the Group's sustainability strategies, the Group has established a Sustainability Advisory Committee.	
		The Company was newly listed on 26 October 2022 and will conduct a thorough analysis to define the standards for the Board' and Management's performance evaluations in order to meet the significant sustainability risks and opportunities.	
<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.	

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

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

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

## Intended Outcome

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

### Practice 5.1

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 is empowered by the Board to assess the effectiveness of Directors of the Group on an ongoing basis and assessing the size and composition of the Board.</p> <p>Subsequent to the listing on the ACE Market of Bursa Securities on 26 October 2022, the NRC has reviewed the tenure of each Director and carried out the evaluation and assessment on the performance and contribution of each Director. In accordance with the Company's Constitution, all the Directors have retired from office at the First Annual General Meeting ("<b>AGM</b>") and eligible for re-election.</p> <p>Based on the results of the annual evaluation, the performance of each of the retiring Directors was found to be satisfactory. The NRC then made recommendation to the Board on their re-election at the forthcoming Second AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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>The Board acknowledges that having at least half of the Board to consist of Independent Directors would undeniably elevate objectivity whilst preventing dominance and complacency within the boardroom.</p> <p>Presently, the Board has six (6) members, comprising four (4) Independent Non-Executive Directors (“INED”), one (1) Managing Director and one (1) Executive Director, which constitute more than 60% of the Board comprises of Independent Directors. All the four (4) INEDs satisfy the independence test under the AMLR of Bursa Securities.</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 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board noted the recommendation of the Malaysian Code on Corporate Governance (“MCCG”) on the tenure of an Independent Director.</p> <p>As specified in the Board Charter of the Group, the tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years. Upon completion of the nine (9) years, an Independent Director may continue, to serve on the Board subject to the Directors’ re-designation as a Non-Independent Director. In the event the Board intends to retain the Independent Director as an Independent Director beyond nine (9) years, the Board will provide justification and seek annual shareholders’ approval through a two-tier voting process.</p> <p>An Independent Director who has served for a cumulative term of more than twelve (12) must resign or be re-designated as a Non-Independent Director.</p> <p>Presently, the tenure of all INEDs does not exceed a cumulative term of nine (9) years as recommended by the MCCG.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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



### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Gender and Diversity Policy as it recognises that a diverse workforce makes an essential contribution to its success and add value to its core business by drawing on the different perspectives and experiences of many individuals.</p> <p>The Group is dedicated to encourage a supportive and inclusive culture amongst the whole workforce within their best interest to promote diversity and eliminate discrimination in the workplace.</p> <p>When considering new appointment, the NRC shall evaluate the following attributes of the candidates:-</p> <ul style="list-style-type: none"><li>(a) Skills, knowledge, expertise and experience;</li><li>(b) Professionalism;</li><li>(c) Integrity;</li><li>(d) Competencies;</li><li>(e) Commitment;</li><li>(f) Contribution; and</li><li>(g) Performance.</li></ul> <p>In the case of the candidates for the position of the INED, the NRC would also evaluate the candidates' ability to discharge such responsibilities and functions expected from INED.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board through the NRC is responsible for sourcing and recommending the right candidate to the Board while reviewing its structure, size and composition in respect of the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company.</p> <p>The final decision on the appointment of a candidate recommended by the NRC however rests with the whole Board.</p> <p>The Board may utilise a variety of independent sources including directors' registry, industry and professional association, open advertisement and independent search firm to identify suitably qualified candidates, if required.</p> <p>The current process with regards to the appointment of new Directors to the Board is based on the recommendation of NRC. The Board relies on the existing network and referrals from existing Directors, Key Senior Management and major shareholders as primary means to source for new Directors as they represent a tried and tested method of sourcing for high-calibre Directors with sound understanding of the business.</p> <p>The Board is mindful on this Practice and would consider utilising the independent sources to identify suitable qualified candidate, when necessary.</p> <p>The NRC will explain why other sources were not utilised if the selection of candidate(s) was solely based on recommendation made by the existing Board members, Management or major shareholder, when necessary.</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>	:	<p>The Directors' interest, position and experience are readily available in the Directors' profile in the Annual Report. The performance of the retiring Directors will annually assessed by the NRC and the Board before recommendation is made to the shareholders for consideration.</p> <p>For Independent Directors, the NRC also assess their relationship with the executives to establish if there is any relationship that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Company.</p> <p>Details of Directors who are standing for re-election are set out in Annual Report 2023 and the Notice of the Second AGM of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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 NRC is chaired by Ms Yap Suan See, who is an 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 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Currently, the Board has two (2) female INEDs namely, Pn Azlina Binti Abdul Aziz and Ms Yap Suan See who were appointed as Directors on 13 June 2022 and 15 March 2022 respectively, which represents approximately 33% women directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.10**

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 has adopted a Gender and Diversity Policy and recognises that a diverse workforce makes an essential contribution to its success and add value to its core business by drawing on the different perspectives and experiences of many individuals.</p> <p>The diversity ensures a right balance of skills and experience within the Board and Management to meet the demand of the business.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Board delegates the duty to perform the assessment on the effectiveness of the Board, its committees and existing Directors of the Company to the NRC.  The NRC shall discharge its function in evaluating the Board in respect of:-  (a) Size and structure; (b) Composition in respect of gender and mix of skills; (c) Independence; (d) Boardroom diversity; and (e) Core competencies.  The key criteria on which the NRC shall be evaluating each individual Director would be:-  (a) Probity, personal integrity and reputation; (b) Financial integrity; (c) Experience and competence; and (d) Time and commitment.  The NRC also shall undertake annual assessment of the independence of the Independent Directors in the Board beyond the Independent Directors' background, economic and family relationships but considering they could continue to bring independent and objective judgement for Board deliberations.  The Chairman of the NRC shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities. The NRC shall also make the necessary recommendation it deems appropriate to the Board where action or improvement is needed.

	Subsequent to the listing on the ACE Market of Bursa Securities on the 26 October 2022, the NRC has on 25 May 2023 carried out the annual evaluation and assessment and the NRC as well as the Board is satisfied with the current composition of the Board and believes that it is well balanced with the right mix of high-calibre individuals with the necessary skills, qualifications, credibility and independence to discharge its duties and responsibilities effectively.	
<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 Group has formalised and adopted Remuneration Policy to ensure that the Directors and Senior Management are offered the appropriate level of remuneration which is compatible with the market rate and is in line with the Group's business strategic objectives and corporate value.</p> <p>The remuneration package for Executive Directors is structured to be linked with the rewards to corporate and individual performance, e.g. key performance indices. The NRC is responsible in reviewing, assessing and recommending the remuneration packages of the Executive Directors and Senior Management to the Board after taking into consideration the market conditions and the complexities and responsibilities to be undertaken, whilst the Board has the overall responsibility to approve the remuneration for this position.</p> <p>The remuneration for Non-Executive Directors reflects the level of responsibilities undertaken by individual Non-Executive Directors and is made up of Directors' fee and meeting allowances. The remuneration for Non-Executive Directors is reviewed and determined by the Board upon the recommendation of the NRC, subject to shareholders' approval at the AGM of the Company.</p> <p>The Remuneration Policy is reviewed on a periodic basis and tabled for Board's approval, which is available on the Company's website at <a href="https://betamek.com.my">https://betamek.com.my</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

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 currently consists of three (3) members, all of whom are INEDs, namely Ms Yap Suan See, Pn Azlina Binti Abdul Aziz and En Mohd Shahrizan Bin Mohd Sidek.</p> <p>The NRC is responsible for considering and recommending the following matters to the Board for approval:-</p> <ul style="list-style-type: none"><li>(a) To set the remuneration policy for all Directors and Senior Management;</li><li>(b) To ensure the levels of remuneration be sufficiently attractive and be able to retain high calibre Executive Directors and Senior Management personnel needed to run the Company successfully;</li><li>(c) To structure the component of the remuneration be aligned with the business strategy and long-term objectives of the Company; and</li><li>(d) To review and recommend to the Board the appropriate remuneration package for each Executive Directors and Key Senior Management personnel including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance.</li></ul> <p>The NRC's TOR is disclosed on the Company's website at <a href="https://betamek.com.my">https://betamek.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

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>	:	<p>Please see the details as below. Detailed disclosure on named basis for the remuneration of individual Directors (including the MD and Executive Director) and the remuneration breakdown of each individual Director includes fee, salary and other emoluments for both the Company and the Group has also been disclosed in the Corporate Governance Overview Statement of the Company's Annual Report 2023.</p> <p>The overall remuneration packages of Non-Executive Directors are subject to annual shareholders' approval. The interested Directors would abstain for voting in respect of their shareholdings on the resolution relating thereto at the AGM of the Company.</p>

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	En Ahmad Subri Bin Abdullah	Independent Director	50	-	-	-	-	-	50	-	-	-	-	-	-	0
2	En Mirzan Bin Mahathir	Executive Director	-	-	-	-	-	-	0	-	-	480	251	15	23	769
3	En Muhammad Fauzi Bin Abd Ghani	Executive Director	-	-	-	-	-	-	0	-	-	240	250	-	14	504
4	Pn Azlina Binti Abdul Aziz	Independent Director	50	-	-	-	-	-	50	-	-	-	-	-	-	0
5	Ms Yap Suan See	Independent Director	50	-	-	-	-	-	50	-	-	-	-	-	-	0
6	En Mohd Shahrman Bin Mohd Sidek	Independent Director	40	-	-	-	-	-	40	-	-	-	-	-	-	0
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here



### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Due to confidentiality and sensitivity of information, the Board is of the view that it would not be in its best interest to make such disclosure on named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages.</p> <p>As an alternative, the disclosure of Senior Management's remuneration that include the key management personnel of the Group on an unnamed basis in bands of RM50,000 is available in the Corporate Governance Overview Statement of the Company's Annual Report 2023.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	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 positions of the Chairman of the Board and the ARMC are held by different individuals. The Chairman of the Board is En Ahmad Subri Bin Abdullah, while the Chairperson of the ARMC is Pn Azlina Binti Abdul Aziz.</p> <p>The Chairperson of the ARMC is a member of the Malaysian Institute of Accountants.</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>The Board recognises the importance to uphold the independence of its external auditors from the Board and Management. The ARMC has included in its TOR the cooling-off period of at least three (3) years for a former key audit partner to observe before appointed as a member of the ARMC.</p> <p>Presently, none of the members of the ARMC was former audit partner of external audit firm(s) servicing the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is 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 shall undertake the responsibility to evaluate annually the performance of the external auditors, including the suitability, objectivity and independence of the external auditors, taking into consideration the following and undertaking follow-up measures, where required:-</p> <ul style="list-style-type: none"><li>(a) the external auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;</li><li>(b) the competence, audit quality and resource capacity of the external auditors in relation to the audit; and</li><li>(c) the nature and extent of the non-audit services tendered and the appropriateness or the level of fees.</li></ul> <p>For the audit of the financial year ended 31 March 2023, Grant Thornton Malaysia PLT ("GT") provided the ARMC with a written assurance confirming that they were, and had been independent through the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the Group.</p> <p>The ARMC was satisfied with the suitability of GT based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The ARMC therefore recommended to the Board for its recommendation for shareholders' approval on the re-appointment of GT as the Auditors of the Company at the forthcoming Second AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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



**Intended Outcome**

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>	:	As to date, the ARMC of the Company comprises solely 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>	:	All the ARMC members are financially literate and possess the necessary skills to discharge their duties and responsibilities effectively. The Chairperson of ARMC, Pn Azlina Binti Abdul Aziz is a member of the Malaysian Institute of Accountants.  The qualification and experience of the ARMC members are disclosed in the Profile of Directors of the Annual Report 2023 of the Company.  The training programs that the ARMC members have attended during the financial year ended 31 March 2023 are also disclosed in the Corporate Governance Overview Statement of the Annual Report 2023 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

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 ARMC has established the Group's Risk Management Policy based on an internationally recognised risk management framework.</p> <p>The Group's Risk Management Policy ensures effective risk management and internal controls are in place to identify and assess the risks and subsequently implement the necessary internal controls to manage and mitigate those risks.</p> <p>The Board acknowledges that the internal control system is devised to cater for particular needs of the Company and risk management system is to provide reasonable assurance against material misstatements or loss.</p> <p>The Company has outsourced its internal audit function to the independent professional service provider, Talent League Sdn Bhd ("<b>Talent League</b>"), which reports directly to the ARMC. Talent League carry out its function in accordance with the approved annual internal audit plan approved by the ARMC. The findings of the audits and the recommendations for improvement or actions to be taken by the management to rectify the issue will be presented in ARMC Meeting.</p> <p>Any significant issues affecting the existing risks or emerging risks as well as the changes to the action plans to address the risks identified, will be discussed during the ARMC meetings and brought to the attention of the Board by the Chairperson of ARMC.</p> <p>Details of the Risk Management and Internal Control Framework put in place during the financial year ended 31 March 2023 can be found in the Statement on Risk Management and Internal Control in the Annual Report 2023 of the Company.</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>	:	The key elements of the risk management and internal control systems, together with its adequacy and effectiveness are set out in the Statement on Risk Management and Internal Control in the Company's Annual Report 2023.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	The Board did not establish a separate Risk Management Committee but instead, it was combined with the Audit Committee and named as ARMC. The ARMC, which comprises solely the INEDs oversees the Company's risk management framework and policies.

**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>In preparation for the listing of the Company on the ACE Market of Bursa Securities (“<b>Listing</b>”), the Company had engaged Talent League, an outsourced Internal Auditors, which is independent of the activities and operations of the Group as its Internal Control Review Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.</p> <p>Following the Listing exercise, the Board continued to engage Talent League to assume the Group’s risk management and its internal audit function, who reports and assists the ARMC in managing the risks and establishment of the internal control system and processes of the Group.</p> <p>Details of the internal audit function are set out in the Statement on Risk Management and Internal Control and ARMC Report in the Company’s Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In preparation for the Listing, the Company had engaged an independent professional consulting company, Talent League as its Internal Review Consultant to review the adequacy and sufficiency of the systems, procedures and controls within the Group.</p> <p>Subsequent to the Listing, the Group continued to outsource the internal audit function to Talent League to provide the internal audit services for the Group ("<b>Outsourced Internal Auditors</b>"). The Outsourced Internal Auditors is headed by its executive director, Mr Roy Thean Chong Yew ("<b>Mr Thean</b>"), who is a Chartered Member of Institute of Internal Auditor. Mr Thean is also a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. Mr Thean has more than twenty-two (22) years of audit experience. The number of staff deployed for the internal audit reviews will be four (4) staff. They will perform their works in accordance with a recognised framework such as the International Professional Practices Framework issued by the Institute of Internal Auditors.</p> <p>The internal audit function has been mandated to continually assess and monitor the Group's system of internal control. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business unit of the Group. Premised on the performance assessment by the ARMC and feedback from the Management team, the ARMC is satisfied that the internal auditors are free from any relationships or conflicts of interest with those involved which could impair their objectivity and independence and is capable of carrying out internal audit reviews.</p> <p>None of the persons involved has any family relationship with the Directors or Company which could result in the conflict of interest and/or impairment of the objectivity and independence during the internal audit review.</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 the importance of communications with its stakeholders and is committed to upholding high standards of transparency to promote investor confidence through the dissemination of comprehensive, accurate and quality information on a timely basis.</p> <p>The Group maintains a website at <a href="https://betamek.com.my">https://betamek.com.my</a> for the shareholders and the public to access information on, amongst others, the Group's background, business, financial performance and updates on its corporate news. Stakeholders can at any time seek clarification or raise queries through email. Primary contact details are set out at the Company's website.</p> <p>Additionally, the AGM will serve as the principal forum for dialogue with all shareholders. The participation of shareholders and investors, both individual and institutional, at general meetings is encouraged whilst requests for briefings from the press and investment analysts are usually met as a matter of course.</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>AGM serves as an invaluable platform for shareholders to engage both the Board and Senior Management in a productive dialogue and provide constructive feedback that contributes to the overall performance of the Group.</p> <p>In this regard, the Notice of the Second AGM dated 26 July 2023 shall be given at least 28 days prior to the Second AGM, which is scheduled to be held on 24 August 2023 going above and beyond Section 316(2) of CA 2016 and Rule 7.15 of the AMLR of Bursa Securities which call for a 21-days' notice period.</p> <p>The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the resolutions to be tabled at the AGM, to enable the shareholders to make informed decisions in exercising their voting right. The form of proxy can be downloaded by the shareholders at the designated link as they have the right to appoint a proxy and allow a member to appoint a proxy who need not be a member of the Company.</p> <p>Notification will be sent to shareholders informing the details of the Second AGM of the Company and the Annual Report 2023, Notice of the Second AGM together with the Proxy Form are available on our Company's website.</p> <p>In order to achieve the widest possible dissemination, the notice of AGM is placed both in a nationally circulated newspapers and the Company's website at <a href="https://betamek.com.my">https://betamek.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

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>The Company was newly listed on the ACE Market of Bursa Securities on 26 October 2022. The Second AGM will be physically held on 24 August 2023, which marks the Company's First AGM after its listing on Bursa Securities.</p> <p>All Directors and the Chairman of the Board and Board Committees will be attending the forthcoming Second AGM to provide meaningful response to questions raised by the shareholders at 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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board regards general meetings as a key platform for shareholders to exercise their rights and have their “voices” heard through the votes cast by them. In accordance with Rule 8.31A of the AMLR of Bursa Securities, all resolutions put to vote will be carried out by poll voting. The Board has given foremost consideration to the location of its general meetings to ensure it is easy to reach or easily accessible to shareholders.	
		The shareholders whom are not able to attend and vote at the AGM of the Company are encouraged to submit the proxy form of the Company to the Share Registrar. Hence, this allows them to vote in absence.	
<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.	

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Company was newly listed on the ACE Market of Bursa Securities on 26 October 2023. The Second AGM is to be physically held on 24 August 2023, which marks the Company's First AGM after its listing on Bursa Securities.  The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the resolutions to be tabled at the AGM, to enable the shareholders to make informed decisions in exercising their voting right.  At the AGM, the shareholders will be able to raise their queries to the Board and Senior Management through direct physical participation at the meeting.  The Company will ensure that all the questions will be answered during the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  



**Intended Outcome**

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> :	Not applicable – only physical general meetings were conducted in the financial year
<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 13.6

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 Company was newly listed on the ACE Market of Bursa Securities on 26 October 2023. The Second AGM is to be physically held on 24 August 2023, which marks the Company's First AGM after its listing on Bursa Securities.  The Company will ensure the Minutes of its Second AGM available to shareholders no later than 30 business days after the AGM by publishing it on the Company's website at <a href="https://betamek.com.my">https://betamek.com.my</a> .
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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