

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0196  
**COMPANY NAME** : QES GROUP BERHAD  
**FINANCIAL YEAR** : December 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>QES Group Berhad's Board of Directors ("the Board") is responsible for leading QES Group Berhad and its subsidiaries ("the Group") and is accountable to the shareholders and stakeholders to create long-term profitability and sustainability within the Group. The Group's Corporate Governance framework embeds the right values and standards throughout the Group.</p> <p>In the Group, there were high levels of interaction between the Board to successfully formulate and implement the Group's business strategy. The Group's setting and review strategy is an integral part of matters reserved for the Board.</p> <p>The Board will scrutinise the sustainability, effectiveness and implementation of the strategic plans for the financial year under review and provide guidance and input to the management.</p> <p>The duties and responsibilities of the Board are encapsulated in the Board Charter which is available on the Company's corporate website at <a href="http://www.qesnet.com">www.qesnet.com</a></p> <p>In discharging its overall duties and responsibilities, the Board and Board Committees undertook the following activities during the FYE 2023:-</p> <p><b>i. Review and adopt a strategic plan for the Group</b></p> <p>The Executive Directors together with the Key Management review and provide input to the Group's strategic plan which includes addressing the Group's business strategies on growth, operations, cost management, sustainability and setting of financial goals.</p>

	<p>The proposal to obtain shareholders' approval on the authority for share buy-back was announced on 15 April 2024.</p> <p><b>ii. Overseeing the conduct and managing performance of the Group's businesses</b></p> <p>Relevant member(s) of the Key Management team were invited to attend the Board and/or Board Committees' meetings to advise and update the Board and/or Board Committees with information, reports, clarifications on the relevant agenda items to be tabled to the Board and/or Board Committees, to keep the Board and/or Board Committees abreast of the latest business activities and development of the Group. Meanwhile, the General Manager of Finance has presented the reports on the financial performance and financial highlights of the Group on a quarterly basis.</p> <p>The Board's responsibilities on overseeing the Management includes reviewing, assessing and approving investment and capital expenditure proposals by the Management and monitoring the implementation of the strategic plan by the Management.</p> <p>The Board will deliberate on all proposals presented and recommended by Management deem significant, including those proposed by its Board Committees to ensure they are viable and meet the requisite target returns.</p> <p><b>iii. Promoting corporate governance culture within the Group</b></p> <p>The Board continues to promote good corporate governance culture, whereby the Group has put in place measures to guide its employees and partners in adhering to all applicable policies, procedures, laws, and regulations of the countries in which the Group operates in, including but not limited to Anti-Corruption and Bribery Policies.</p> <p>The Board had established the Directors' Fit and Proper Policy on 30 June 2022, which serves as a guide to strengthen the governance of the Company for the appointment and re-election of Directors of the Company.</p> <p><b>iv. Development and implementation of shareholder communications policy</b></p> <p>Shareholders are updated with the performance and results of the Group through engagements and public release of the relevant information on the Company's corporate website at <a href="http://www.qesnet.com">www.qesnet.com</a>.</p>
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	<p><b>v. Ensure that the Board has the necessary skills and experience and there are measures in place to provide the orderly succession of the Board.</b></p> <p>The Nomination Committee (“NC”) oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors, as well as undertakes the annual assessment of the effectiveness of the Board as a whole, its committees and the contribution of each individual Director.</p> <p>In order to ensure orderly and effective discharge of the above functions and responsibilities, the Board has also delegated certain responsibilities to other Board Committees. Standing Committees of the Board includes Audit Committee (“AC”), NC and Remuneration Committee (“RC”) which operates within clearly defined terms of reference. The Board receives reports at its meetings from the Chairperson of each Committee on current activities and it is the general policy of the Company that all major decisions be considered by the Board as a whole.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

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

### Practice 1.2

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>Encik Adnan Bin Zainol was appointed as the Independent Non-Executive Chairman of the Company.</p> <p>The roles and responsibilities of the Chairman of the Board are encapsulated in the Board Charter.</p> <p>The key responsibilities undertaken by the Chairman are as follows: -</p> <ul style="list-style-type: none"><li>i. Provides leadership for the Board so that the Board can perform its responsibilities effectively;</li><li>ii. Leads the Board meetings and discussions to enable appropriate decisions are made to ensure that no Board members, whether Executive or Non-Executive, dominates the discussion;</li><li>iii. Encourages active participation and allows dissenting views to be freely expressed;</li><li>iv. Communicates with the Management from time to time to ensure the Company complies with all relevant laws and regulations;</li><li>v. Ensures appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole; and</li><li>vi. Leads the Board in establishing and monitoring good Corporate Governance practices in the Company.</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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of the Chairman and the Group Managing Director in the Company are held by different individuals with clear and distinct roles which are formally documented in the Board Charter of the Company to ensure a balance of power and authority between the Chairman and the Group Managing Director.</p> <p>The Chairman of the Board, Encik Adnan Bin Zainol, is responsible for instilling good Corporate Governance practices, leadership and effectiveness of the Board. Meanwhile, Mr. Chew Ne Weng, the Group Managing Director of the Company is responsible for implementation of the policies, strategies and decisions adopted by the Board as well as the day-to-day management of the Company's operations and shall adhere to the guidelines and instructions provided by the Board.</p> <p>The responsibilities of the Group Managing Director, amongst others, are as follows:-</p> <ol style="list-style-type: none"><li>i. Acts as the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions;</li><li>ii. Has the executive responsibility for the day-to-day operation of the Group's businesses and to ensure the efficiency and effectiveness of the operation for the Group;</li><li>iii. To supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group;</li><li>iv. To implement the policies, corporate strategies and decisions adopted by the Board;</li><li>v. To develop strategic direction and assess business opportunities which are of potential benefit to the Group; and To bring material and other relevant matters to the attention of the Board in an accurate and timely manner.</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>	:		
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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 1.4

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> :	The Chairman of the Board, Encik Adnan Bin Zainol is not a member of the AC, NC or the RC 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

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 had appointed a qualified Company Secretary, Ms. Andrea Huang Jia Mei who is a member of the Malaysian Institute of Accountants and is qualified to act as Company Secretary under Section 235(2) of the Companies Act, 2016.</p> <p>Ms. Andrea Huang Jia Mei has been elected as a Member of the Malaysian Institute of Accountants and is also a Member of the Association of Chartered Certified Accountants and she has more than 17 years of experience in the audit and corporate secretarial matters.</p> <p>The Company Secretary manages all Board and Board Committees meeting logistics, attending and recording minutes to ensure that deliberations at Board and Board Committees meetings are well documented and subsequently communicated to the relevant personnel for appropriate actions.</p> <p>Amongst the roles and responsibilities of the Company Secretary are as follows :-</p> <ul style="list-style-type: none"><li>a) The Company Secretary plays an advisory role to the Board, particularly with regards to the Company's Constitution, Company's Corporate Governance best practices and its compliance with regulatory requirements, codes, guidance and legislations.</li><li>b) The Company Secretary plays an important role in ensuring the proceeding in general meeting are in place and properly managed by assisting the Chairman and the Board to conduct the meeting and ensure the minutes are properly recorded, particularly, questions raised by the shareholders.</li><li>c) Attend all Board and Board Committees Meetings and ensure all discussions and deliberations during the meetings are accurately recorded and properly maintained.</li><li>d) Facilitated the annual assessment on the effectiveness of the Board, Board Committees and individual Directors for year 2023, The results were collated and tabled at the NC Meeting and to the Board for deliberation.</li></ul>

	For the FYE 2023, the Board is satisfied with the performance and support rendered by the Company Secretary in providing sound governance advice, ensuring adherence to rules and procedures and advocate of Corporate Governance best practices.	
<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 is provided with appropriate information and comprehensive Board papers in a timely manner prior to Board meetings to ensure that the Directors have sufficient preparation time and information to make an informed decision at each Board meeting.</p> <p>Annual meeting calendar which provides details of scheduled dates for Board Meeting, Board Committees Meeting and Annual General Meeting ("AGM") are given to Directors at the beginning of the year. The Directors and Principal Officer would receive notification on closed periods for dealings in securities based on the targeted dates of announcement of the Company's quarterly results.</p> <p>Management is invited to attend the Board and Board Committees meetings to brief and provide explanations to the Board on the operations of the Group.</p> <p>The deliberations and decisions at Board and Board Committees meetings are detailed in the minutes in a clear, accurate and timely manner. The minutes record the decisions of the Board and Board Committees including deliberations, comments, concerns or dissenting views. The minutes indicate whether any Director or Committee member has abstained from voting or abstain himself/herself from deliberating on a particular matter concerning them.</p> <p>The Company Secretary will communicate to the relevant Management, the Board's and Board Committees' decision or recommendations via circulation of draft minutes of meetings for appropriate actions to be taken. The Company Secretary will follow up with Management on status of actions taken with reference to the previous minutes of meeting and recorded the updates in the matters arising paper tabled at the subsequent Board and Board Committees meetings.</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**

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 implemented its Board Charter on 11 October 2017 and was last updated on 14 April 2022. It sets out the roles, functions, composition, operation and processes of the Board and to ensure all Board members acting on behalf of the Company are aware on their duties and responsibilities as Board members.</p> <p>Key matters reserved for the Board’s approval includes approval of the annual and quarterly financial results, annual budgets, major capital commitments, business continuity plan and corporate plan, managing conflict of interest issues, new issues of securities, business restructuring, expenditure above a certain pre-determined limit, disposal of significant fixed assets and acquisition or disposal of companies within the Company.</p> <p>The Board reviews the Board Charter regularly, to keep it up to date with changes in regulations and best practices.</p> <p>The Board Charter is available on the Company’s corporate website at <a href="http://www.qesnet.com">www.qesnet.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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board establishes a Code of Conduct and Ethics for the Company, and together with the Management, implements its policies and procedures, which includes dealing with customers and suppliers, managing conflicts of interest, maintaining confidential information, accepting gifts, loans and entertainment, accepting directorship outside the Company, complying with laws and regulations, ensuring a healthy and safe environment, protection and use of Company's asset, insider information and securities trading and sexual harassment.</p> <p>The Code of Conduct and Ethics is periodically reviewed and is available on the Company's corporate website at <a href="http://www.qesnet.com">www.qesnet.com</a>.</p>
<b>Explanation for departure</b>	:	
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### 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 Board has established, reviewed and implemented the policies and procedures on whistleblowing. The Group's whistleblowing policies and procedures provides an avenue for all employees of the Group and members of the public to raise concerns or disclose any improper conduct within the Group and to take appropriate action to resolve them effectively.</p> <p>The Group's whistleblowing policies and procedures is periodically reviewed and is available on the Company's corporate website at <a href="http://www.qesnet.com">www.qesnet.com</a></p> <p>The Group establishes an Anti-Corruption and Bribery Policy on 1 August 2020. This Anti-Corruption and Bribery Policy is aimed to prevent the occurrence of bribery and corrupt practices in relation to the business of the Group. The Company will also take appropriate and reasonable measures to ensure its business does not involve in corrupt activities.</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 takes into account sustainability considerations when overseeing, developing or implementing the Group's strategies, business plans, major plans of action and risk management.</p> <p>For effective monitoring and execution, the Board has established Sustainability Steering Committee ("SSC"), comprising the Group Managing Director, Group Executive Director, Key Management and the sustainability working group.</p> <p>The Board is responsible for the overall sustainability strategy and oversees the Group's sustainability framework whilst the Group Managing Director and/or the Executive Director are responsible for incorporating sustainability into the business strategies and business decisions and ensuring the implementation of the sustainability strategy by SSC.</p> <p>Further details of the Group's sustainability practices are set out in the Sustainability Statement segment in the 2023 Annual Report.</p>
<b>Explanation for departure</b>	:	
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<b>Measure</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 4.2

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

<b>Application</b>	:	Applied											
<b>Explanation on application of the practice</b>	:	<p>The Board took cognisance that engaging in effective and meaningful dialogues and disclosures, while anticipating and meeting the needs of all stakeholders are fundamental to building trust and confidence and forms the foundation of good governance in the Group.</p> <p>The engagement platforms with the Group’s stakeholders are appended below:</p> <table border="1"> <thead> <tr> <th>Stakeholder Group</th> <th>Engagement Method</th> </tr> </thead> <tbody> <tr> <td>Shareholders/Investors</td> <td> <ul style="list-style-type: none"> <li>- Announcement</li> <li>- AGM</li> <li>- Corporate Website</li> <li>- Quarterly Briefings with Investors</li> </ul> </td> </tr> <tr> <td>Customers</td> <td> <ul style="list-style-type: none"> <li>- Customers satisfaction survey</li> </ul> </td> </tr> <tr> <td>Supplier</td> <td> <ul style="list-style-type: none"> <li>- Vendor Assessment and Evaluation Procedure</li> <li>- Annual Performance Evaluation</li> </ul> </td> </tr> <tr> <td>Employees</td> <td> <ul style="list-style-type: none"> <li>- Performance appraisal</li> <li>- Training</li> <li>- Company Events</li> </ul> </td> </tr> </tbody> </table> <p>Further details of the stakeholders’ engagement are set out in the Sustainability Statement segment in the 2023 Annual Report.</p>		Stakeholder Group	Engagement Method	Shareholders/Investors	<ul style="list-style-type: none"> <li>- Announcement</li> <li>- AGM</li> <li>- Corporate Website</li> <li>- Quarterly Briefings with Investors</li> </ul>	Customers	<ul style="list-style-type: none"> <li>- Customers satisfaction survey</li> </ul>	Supplier	<ul style="list-style-type: none"> <li>- Vendor Assessment and Evaluation Procedure</li> <li>- Annual Performance Evaluation</li> </ul>	Employees	<ul style="list-style-type: none"> <li>- Performance appraisal</li> <li>- Training</li> <li>- Company Events</li> </ul>
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<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 kept abreast by the Company Secretary on the changes to the Main Market Listing Requirement (“MMLR”) of Bursa Securities and Malaysian Code on Corporate Governance 2021 (“MCCG 2021”), which are relevant to the Company on corporate disclosures and compliances including sustainability issues and reporting.</p> <p>The NC and Board would assess the trainings attended by all Directors to ensure that the Directors are continuously kept abreast of sustainability issues and climate-related risks and opportunities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>During the Board and Board Committees performance evaluation for the FYE 2023, the Board, through the NC, reviewed its performance of the Board in addressing the Company’s sustainability risks and opportunities.</p> <p>In addition, the key performance indicators for the sustainability material matters were incorporated into the Key Management’s performance evaluation which were reviewed during the annual performance appraisal.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.5- Step Up

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

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
<b>Application</b>	: Applied
<b>Explanation on adoption of the practice</b>	: The Group Managing Director (“GMD”) of the Company, is the designated person within the senior management to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Company. The GMD has been appointed as the Chairman of the Sustainability Steering Committee to manage the Group’s key sustainability matters including ESG.  The GMD is responsible for the following: <ul style="list-style-type: none"><li>• Setting the Group’s sustainability strategy goals to the long-term business growth and objectives to the Board.</li><li>• Evaluating the assessment of the ESG risks and opportunities relevant to our industry and business operations.</li><li>• Identify the environmental and social impacts of our operations, as well as the governance practices that may affect our business performance and reputation.</li><li>• Providing oversight and input on the Group’s materiality matrix and reporting systems to measure and track our Group’s ESG performance.</li></ul>

### 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 NC is responsible to assist the Board (among other things) in the development and implementation of the policies on the nomination and appointment of Directors and Committees' members.</p> <p>On 21 March 2024, the NC conducted an analysis of the Board Skills Matrix based on the Board composition, to determine the skills gaps that may be need to be filled. The NC also reviewed the latest Board composition and the Board optimum size.</p> <p>Pursuant to Clause 115 of the Company's Constitution, one-third of the Directors of the Company for the time being shall retire from office once at least in each 3 years but shall be eligible for re-election. The schedule of retirement by rotation was determined by the NC and the Director's eligibility to stand for re-election was also being considered taking into account their tenure of service.</p> <p>Upon due deliberation and upon recommendation of the NC, the Board resolved to approve the proposed re-election of Mr. Hoh Chee Mun, and Mr. Liew Soo Keang, who being eligible has offered themselves for re-election at the 10<sup>th</sup> 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>		
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<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 has 6 members comprising of 1 Independent Non-Executive Chairman, 1 Group Managing Director, 1 Group Executive Director and 3 Independent Non-Executive Directors.</p> <p>The composition fulfils the requirements as set out under the MMLR of Bursa Securities which stipulates that at least 2 Directors or 1/3 of the Board, whichever is higher, must be independent and also fulfils the MCCG 2021 Practice 5.2 which requires at least half of the Board comprises Independent Directors.</p> <p>On 21 March 2024, the Board through the NC had conducted an assessment and review of the independence of the Independent Non-Executive Directors in accordance with the definition of Independent Director under Paragraph 1.01 of the MMLR.</p> <p>The Independent Non-Executive Directors are free to meet without the presence of Management on a regular basis whereby they can candidly share concerns about the Group and exchange views on potential improvements in governance.</p>
<b>Explanation for departure</b>	:	
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<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 is aware of the good practice that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years and if the Board intends to retain an Independent Director beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.</p> <p>Two Independent Directors of the Company, Encik Adnan Bin Zainol and Mr. Hoh Chee Mun were appointed on 11 May 2015 and have therefore would have served the Company for nine (9) years on 10 May 2024, after this Notice of the 10<sup>th</sup> AGM.</p> <p>Therefore, resolutions to seek shareholders' approval to retain both Encik Adnan Bin Zainol and Mr. Hoh Chee Mun shall be put forth for voting at the forthcoming 10th 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 5.4 - 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 and NC takes into account the current diversity in the skills, experience, age, cultural background and gender of the existing Board in seeking potential candidate(s). This helps to ensure an appropriate balance between the experience perspectives of the long-term Directors and new perspectives that bring fresh insights to the Board.</p> <p>While the Board is responsible for the appointment of new Directors, the NC is delegated with the role of screening and conducting an initial evaluation, before making a recommendation to the Board. The NC evaluates the nominees' abilities in discharging their duties and responsibilities before recommending their appointments for approval by the Board.</p> <p>The diversity in the race/ethnicity (cultural background), nationality, age and gender of the Board as at 31 December 2023 are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Race/Ethnicity</th> <th colspan="2">Nationality</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>Others</th> <th>Malaysian</th> <th>Foreigner</th> </tr> </thead> <tbody> <tr> <td>Number of Directors</td> <td>2</td> <td>4</td> <td>-</td> <td>-</td> <td>6</td> <td>-</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th>40-49</th> <th>50-59</th> <th>60-69</th> <th>70-79</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Number of Directors</td> <td>-</td> <td>2</td> <td>3</td> <td>1</td> <td>4</td> <td>2</td> </tr> </tbody> </table> <p>The diversity in the race/ethnicity (cultural background), nationality, age and gender of the Senior Management as at 31 December 2023 is as follows:</p>		Race/Ethnicity				Nationality		Malay	Chinese	Indian	Others	Malaysian	Foreigner	Number of Directors	2	4	-	-	6	-		Age Group				Gender		40-49	50-59	60-69	70-79	Male	Female	Number of Directors	-	2	3	1	4	2
	Race/Ethnicity				Nationality																																					
	Malay	Chinese	Indian	Others	Malaysian	Foreigner																																				
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		Malay	Chinese	Indian	Others	Malaysian	Foreigner																			
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<b>Explanation for departure</b> :																										
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																										
<b>Measure</b> :																										
<b>Timeframe</b> :																										

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Potential candidates may be proposed by any current Board member, shareholder or Senior Management personnel or by utilising independent sources such as recruitment firms or through industry associations. In considering potential candidates for appointment, the NC undertakes a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role.  Appointments of new Directors are undertaken by the Board as a whole after considering the recommendations of the NC.	
<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 performance of retiring Directors, namely Mr. Hoh Chee Mun and Mr. Liew Soo Keang who were recommended for re-election at the 10<sup>th</sup> AGM were assessed and evaluated through the Board and Board Committees, which includes the assessment of the independency and Fit and Proper of the Directors for re-election.</p> <p>The details of the Directors who were due for retirement and eligible for re-election at the 10<sup>th</sup> AGM are set out in the Directors' Profile in the Annual Report in respect of the FYE 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

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

### Practice 5.8

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

<b>Application</b>	:	Applied							
<b>Explanation on application of the practice</b>	:	<p>The Board had established the NC on 11 October 2017. The primary objective of the NC is to ensure the Board are comprised of individuals with an optimal mix of qualifications, skills and experience.</p> <p>The present composition of the NC consists of 3 members of the Board, all of whom are Independent Non-Executive Directors: -</p> <table border="1"><tr><td>Chairperson of NC</td><td>:</td><td>Maznida Binti Mokhtar (Independent Non-Executive Director)</td></tr><tr><td rowspan="2">Members of NC</td><td rowspan="2">:</td><td>Hoh Chee Mun (Independent Non-Executive Director)</td></tr><tr><td>Wong Pek Yee (Independent Non-Executive Director)</td></tr></table> <p>The NC is chaired by Puan Maznida Binti Mokhtar, an Independent Non-Executive Director of the Company.</p> <p>The Terms of Reference of the NC is available on the Company's corporate website at <a href="http://www.qesnet.com">www.qesnet.com</a>.</p>	Chairperson of NC	:	Maznida Binti Mokhtar (Independent Non-Executive Director)	Members of NC	:	Hoh Chee Mun (Independent Non-Executive Director)	Wong Pek Yee (Independent Non-Executive Director)
Chairperson of NC	:	Maznida Binti Mokhtar (Independent Non-Executive Director)							
Members of NC	:	Hoh Chee Mun (Independent Non-Executive Director)							
		Wong Pek Yee (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 2 female Directors out of 6 Directors, equivalent to 33.33% women representation to 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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board is cognisant of the gender diversity recommended by MCCG 2021 and believes that diversity in the Board's composition will bring value to the Board deliberation.	
		The Board does not have a specific policy on gender for candidates to be appointed to the Board and does not have any specific policy on setting a target for female candidates in the workplace. The Board is of view that all candidates shall be given fair and equal treatment	
		The Board acknowledges the importance of boardroom diversity and views. However, the selection criteria based on character, competencies, skills, extensive experience, knowledge, time commitment, integrity and other qualities to strengthen the Board should remain a priority.	
<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

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 evaluation criteria for the Board, Board Committees and individual Directors are primarily anchored on regulatory development and emerging best practices of MCCG 2021 as the method of evaluation.  Below is a summary of the activities undertaken by the NC for the FYE 2023: -  (a) Assessed the overall Board and Board Committees' performance and effectiveness as a whole; (b) Reviewed and assessed the independence of Independent Directors and their tenure of service; (c) Reviewed and assessed the term of office and performance of the AC and each of its members; (d) Reviewed and assessed the performance and the fit and proper criteria, and made recommendations to the Board for its approval, regarding the Directors who are seeking for re-election at the upcoming AGM; and (e) Assessed Directors' training to ensure all Directors receive appropriate continuous training programmes.
<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 Company has in place a Remuneration Policy for Directors. The policy serves as a guideline for the Board in remunerating Directors with a view to attract, retain and motivate talented and high-calibre individuals.</p> <p>The remuneration policy is periodically reviewed by the RC prior to making its recommendations to the Board for approval. In its review, the RC considers various factors including the Non-Executive Directors fiduciary duties, time commitments expected of them and the Company's performance.</p> <p>The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Company as well as other individuals.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied							
<b>Explanation on application of the practice</b>	:	<p>The Board had established the RC on 11 October 2017.</p> <p>The primary objective of the RC is to establish a documented, formal and transparent procedure for assessing and reviewing the remuneration packages of Executive Directors and Non-Executive Directors in order to ensure the remuneration of the Directors reflect their responsibility and commitment undertaken by them and also to attract and retain right talent in the Board to drive the Company's long-term objectives.</p> <p>The present composition of the RC consists of 3 members of the Board, all of whom are Independent Non-Executive Directors: -</p> <table border="1" data-bbox="558 1366 1404 1590"> <tr> <td>Chairman of RC</td> <td>:</td> <td>Hoh Chee Mun (Independent Non-Executive Director)</td> </tr> <tr> <td rowspan="2">Members of RC</td> <td rowspan="2">:</td> <td>Maznida Binti Mokhtar (Independent Non-Executive Director)</td> </tr> <tr> <td>Wong Pek Yee (Independent Non-Executive Director)</td> </tr> </table> <p>The Terms of Reference of the RC can be viewed on the Company's corporate website at <a href="http://www.qesnet.com">www.qesnet.com</a>.</p>	Chairman of RC	:	Hoh Chee Mun (Independent Non-Executive Director)	Members of RC	:	Maznida Binti Mokhtar (Independent Non-Executive Director)	Wong Pek Yee (Independent Non-Executive Director)
Chairman of RC	:	Hoh Chee Mun (Independent Non-Executive Director)							
Members of RC	:	Maznida Binti Mokhtar (Independent Non-Executive Director)							
		Wong Pek Yee (Independent Non-Executive Director)							
<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 assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The detailed disclosure on named basis for the remuneration of individual directors are set out in the Corporate Governance Overview Statement at Page 72 of the Annual Report 2023.

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	Chew Ne Weng	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	129,216	0	636,000	90,339	22,700	141,471	1,019,726
2	Liew Soo Keang	Executive Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	108,913	0	564,000	82,539	22,700	125,384	903,536
3	Adnan Bin Zainol	Independent Director	72,000	0	0	0	0	0	72,000	72,000	0	0	0	0	0	72,000
4	Hoh Chee Mun	Independent Director	72,000	0	0	0	0	0	72,000	72,000	0	0	0	0	0	72,000
5	Maznida Binti Mokhtar	Independent Director	72,000	0	0	0	0	0	72,000	72,000	0	0	0	0	0	72,000
6	Wong Pek Yee	Independent Director	72,000	0	0	0	0	0	72,000	72,000	0	0	0	0	0	72,000
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>	:	Details of the remuneration of each Senior Management on named basis is not disclosed due to confidentiality reasons and such disclosure may be prejudicial to the Company's business interests given that poaching of qualified Senior Management is common.	
		As an alternative, details of Senior Management whose remuneration falls within successive bands of RM100,000 is set out below:	
		Range of Remuneration	
		Range of Remuneration	Number of Senior Management
		RM500,001- RM600,000	1
		RM600,001- RM700,000	1
		RM900,001- RM1,000,000	1
		RM1,900,001- RM2,000,000	1
<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 Board established the AC on the 11 October 2017.</p> <p>The AC was established to assist the Board with the primary objective of providing an additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures, establishing and maintaining internal controls, reinforce the independence of the Company's External Auditors, evaluate the quality of the Internal Auditors and oversee compliance with laws and regulations together with observance of a proper code of conduct.</p> <p>The present composition of the AC consists of 3 members of the Board, all of whom are Independent Non-Executive Directors: -</p> <table border="1" data-bbox="560 1133 1407 1352"> <tr> <td>Chairperson of AC</td> <td>:</td> <td>Wong Pek Yee (Independent Non-Executive Director)</td> </tr> <tr> <td rowspan="2">Members of AC</td> <td rowspan="2">:</td> <td>Hoh Chee Mun (Independent Non-Executive Director)</td> </tr> <tr> <td>Maznida Binti Mokhtar (Independent Non-Executive Director)</td> </tr> </table> <p>The Chairperson of the AC is not the Chairman of the Board.</p> <p>The Terms of Reference of the AC can be viewed on the Company's corporate website at <a href="http://www.qesnet.com">www.qesnet.com</a>.</p>	Chairperson of AC	:	Wong Pek Yee (Independent Non-Executive Director)	Members of AC	:	Hoh Chee Mun (Independent Non-Executive Director)	Maznida Binti Mokhtar (Independent Non-Executive Director)
Chairperson of AC	:	Wong Pek Yee (Independent Non-Executive Director)							
Members of AC	:	Hoh Chee Mun (Independent Non-Executive Director)							
		Maznida Binti Mokhtar (Independent Non-Executive Director)							
<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 Board took note on recommendations in MCCG 2021 to have a policy that requires a former key audit partner to observe a cooling-off practice period of at least 3 years before being appointed as a member of the AC.  None of the members of the Board were former key audit partners.	
<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>During the FYE 2023, the External Auditor, Messrs. KPMG PLT ("KPMG") made 2 presentations which were as follow: -</p> <p>(a) Audit Planning Memorandum which outlined its engagement team, audit approach, audit timeline, the areas of audit emphasis, and their focus on Key Audit Matters with reference to the International Standard on Auditing 701; and</p> <p>(b) Audit and Risk Management and Closing Presentation for the FYE 2023 which update the current status of the audit, highlights and explains the disposition of the salient accounting and audit issues, the Key Audit Matters identified during the audit, any significant deficiencies in internal control and highlighted Messrs. KPMG's assessment of the risks or material misstatements and communicate with the AC on other matters required under ISA 260 Communication with those charged with Government.</p> <p>The AC had undertaken an annual assessment of the suitability and independence of Messrs. KPMG.</p> <p>Messrs. KPMG PLT was appointed as the Group External Auditors for the FYE 2023 in replacement of Messrs. Moore Stephens Associate PLT to provide relevant and transparent reports to the shareholders. Further, Messrs. KPMG had indicated their willingness to continue in office.</p> <p>The Board would be seeking shareholders' approval at the 10<sup>th</sup> AGM on the re-appointment of Messrs. KPMG as External Auditors 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 an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The AC members of the Company solely comprises of Independent 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 review of the composition of the AC shall be conducted annually by the NC in accordance with Paragraph 15.20 of the MMLR of Bursa Securities.</p> <p>Ms. Wong Pek Yee, the Chairperson of the AC is a member of the Malaysian Institute of Accountants and the Institute of Chartered Accountants of England and Wales, which is in compliance with Paragraph 15.09(1)(c)(i) and (ii) of the MMLR.</p> <p>Mr. Hoh Chee Mun is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants which is in compliance with Paragraph 15.09(1)(c)(i) of the MMLR.</p> <p>Puan Maznida Binti Mokhtar is a member of the Malaysian Institute of Accountants.</p> <p>The Chairperson and members of the AC are financially literate and have carried out their duties in accordance with the Terms of Reference of the AC.</p> <p>The NC is satisfied that the AC have discharged their functions, duties and responsibilities in accordance with the AC Terms of Reference and supported the Board in ensuring the Company upholds appropriate Corporate Governance standards.</p> <p>All members of the AC are mindful that they should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p>

	The composition of the AC, attendance of meetings by the individual members and the summary of activities are set out in the AC Report on pages 82 to 84 of the 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 10.1**

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 formalised an Enterprise Risk Management (“ERM”) framework which explains the Company’s underlying approach to risk management and documents the roles and responsibilities of the Board, AC and other key parties.</p> <p>It also outlines key aspects of the risk management process and identifies the main reporting procedures.</p> <p>In addition, the ERM framework describes the process that the Board will use to evaluate the effectiveness of the Company’s internal control procedures.</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 ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Company in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board.</p> <p>The Internal Auditor had presented their review on the risk management and internal control framework to the AC members, and thereafter had recommended to the Board for approval.</p> <p>The Statement on Risk Management and Internal Control is set out on pages 78 to 81 which provides an overview on the state of risk management and internal controls within 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**

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

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

**Practice 10.3 - Step Up**

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

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

## Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company outsourced its Internal Audit (“IA”) function to NBS Smart Focus Group Sdn. Bhd. (“Smart Focus”).</p> <p>Smart Focus is an independent firm which is able to perform its duties in an objective manner and provide impartial advice directly to the AC.</p> <p>To ensure that the responsibilities of IA are fully discharged, AC: -</p> <ul style="list-style-type: none"><li>(a) Ensures that the person responsible for the IA function has relevant experience, sufficient standing and authority to discharge his function effectively;</li><li>(b) Reviews the IA plan, processes and results of the IA assessment;</li><li>(c) Reviews any appraisal or assessment of the performance of the IA function;</li><li>(d) Approves any appointment or termination of the IA function</li><li>(e) Takes cognisance of resignation of IA function; and</li><li>(f) Ensures the IA function has sufficient resources to carry out its role effectively.</li></ul> <p>The principal responsibility of the IA is to undertake regular and systematic review of the systems of internal control, risk management process and compliance with the Company’s established policies and procedures so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Company. Functionally, the IA reviews and assesses the Company’s systems of internal control and report to the AC directly.</p> <p>The final report containing the audit findings and recommendations together with responses by Management were circulated to all members of the AC. Areas of improvement identified were communicated to the Management for further action. All IA reports were reviewed by the AC and discussed at the AC Meetings and recommendations were duly acted upon by the Management. Follow up reviews would subsequently be performed to ascertain the extent of implementation of the recommended corrective action for improvements.</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>The Group has appointed an established external professional IA firm namely NBS Smart Focus Group Sdn. Bhd., headed by the Associate Director, Mr. Lee FS, who graduated from Australia with a Bachelor of Commerce and a Masters in Accountancy. He is also a member of Malaysian Institute of Accountants and Certified Practising Accountant (CPA) Australia as well as a professional member of the Institute of Internal Auditors Malaysian. He has vast experience and exposure in the IA field. The team is assisted by three other Internal Auditors in this assignment during the financial year under review. The IA activities were reported directly to the AC based on the approved annual IA Plan. The approved annual IA Plan is designed to cover entities across all level of operations within the Group.</p> <p>The IA firm appointed by the Company is independent of activities related to business operations and performs its duties in accordance with standards set by relevant professional bodies, namely Institute of Internal Auditors. The IA personnel are free from any relationship and conflicts of interest.</p> <p>The IA firm adopts a risk-based approach and prepares its audit plan based on the risk profiles from the risk assessment of the business units of the Group. Scheduled IAs are carried out based on the annual audit plan approved by the AC. On a quarterly basis, the IA firm presents the AC with the IA Reports.</p> <p>The Internal Auditors also periodically report on the activities performed, key strategic and control issues observed by internal auditors to the AC in order to preserve its independence. The AC reviews and approves IA's annual budget, remuneration, audit plan and human resources requirements to ensure the function maintains an adequate number of internal auditors with sufficient knowledge, skills and experience. IA adopts the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors (IIA), the definition of Internal Auditing, Code of Ethics, Practices and Framework in order to ensure standardisation and</p>

	<p>consistency in providing assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance. IA has aligned its current internal audit IA practices with the Committee of Sponsoring Organizations of the Treadway Commission (COSO – USA Standard) and The Criteria of Control Board (COCO - Canadian Standard)'s Internal Controls – Integrated Framework. Using this framework, all internal control assessments performed by Internal Auditors are based on the internal control elements, scope and coverage. Internal Auditors continue to adopt the risk-based audit plan to ensure the programmes carried out are prioritised based on the Group's key risks and core or priority areas. Input from various sources inclusive of the ERM Framework, business plan, past audit issues, External Auditors, Management and the Board are gathered, assessed and prioritised to derive the annual audit plan.</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

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 ensures there is effective, transparent and regular communication with its shareholders.</p> <p>The Board recognises the importance of maintaining transparency and accountability to its shareholders and to disseminate information on the Company's performance and any significant developments in a timely manner.</p> <p>Presently, the Board and Management of the Company communicate regularly with its shareholders through the following channels of communication:</p> <p>(a) Bursa Malaysia Securities Berhad The Company releases all material information publicly through Bursa Securities and the shareholders and the public in general may obtain such announcements and financial information from the website of Bursa Securities.</p> <p>(b) Corporate Website The Company's corporate website, <a href="http://www.qesnet.com">www.qesnet.com</a>, incorporates an Investor Relations section which provides all relevant information about the Company and is accessible to both shareholders and the public.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board ensures that the despatch of its notice of AGM is done at least 28 days before the meeting and are mindful that the sufficient notice and time given would allow the shareholders to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney. This would also enable the shareholders to properly consider the resolutions that will be discussed and decided at the 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>The 9<sup>th</sup> AGM was held through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities.</p> <p>All Directors participated in the 9<sup>th</sup> AGM held on 16 June 2023. During the 9<sup>th</sup> AGM, the Chairman of the Board encouraged the shareholders to actively participate by submitting their question via the Query Box. All questions raised by shareholders and proxies via email before the AGM and real-time Query Box were attended to accordingly.</p> <p>The full minutes of the 9<sup>th</sup> AGM detailing the meeting proceedings was published on the Company’s corporate website as soon as practicable after the conclusion of the AGM.</p> <p>The presence of all Directors provided opportunities for shareholders to effectively engage with each Director. Accordingly, barring unforeseen circumstances, all Directors as well as the Chairperson of respective Board Committees will be present at the forthcoming AGM of the Company to enable the shareholders to raise questions and concerns directly to those responsible.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Company will be holding a fully virtual AGM on 31 May 2024 at the Broadcast Venue by leveraging technology to facilitate for the conducting of Remote Participating and Voting ("RPV") via Vote2U provided by Agmo Digital Solutions Sdn Bhd in Malaysia at <a href="https://web.vote2u.my">https://web.vote2u.my</a> (Domain Registration No. with MYNIC – D6A471702).
<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>The 9<sup>th</sup> AGM was a fully virtual meeting. The Company had issued the Annual Report 2022 for the 9<sup>th</sup> AGM together with administrative notes which encompassed the guidance on the conduct of the virtual meeting on 16 June 2023.</p> <p>The shareholders were allowed to submit their questions via email to the Company before the AGM.</p> <p>The Chairman of the AGM had also informed the shareholders during the live streaming of the AGM on 16 June 2023 that they could submit their questions and comments to the Board during the AGM via the RPV facilities and the answers of all the questions were addressed by the Group Managing Director, before the commencement of the poll voting.</p> <p>As shareholders were allowed to submit questions before and during the AGM, they were given sufficient opportunity to pose their questions. The Company had ensured that all the questions were answered. Questions received after the close of AGM were answered via emails.</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>The 9<sup>th</sup> AGM of the Company was held as a fully virtual general meeting.</p> <p>The RPV facilities provided by the share registrar, Mega Corporate Services Sdn Bhd via Vote2U provided by Agmo Digital Solutions Sdn Bhd in Malaysia at <a href="https://web.vote2u.my">https://web.vote2u.my</a> (Domain Registration No. with MYNIC – D6A471702 allowed shareholders to pose questions to the Board and Chairman of the AGM via typed text in the Query Box. The shareholders could submit their questions at any time from the day of notice of AGM and up to the time when the meeting was in progress.</p> <p>Questions posed by shareholders had been made visible to all meeting participants during the meeting itself via RPV facilities.</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>	: Minutes of the 9 <sup>th</sup> AGM have been made available to the shareholders after the AGM on its website at <a href="http://www.qesnet.com">www.qesnet.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>	:  

**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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