

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0053
COMPANY NAME : OSK VENTURES INTERNATIONAL BERHAD
FINANCIAL YEAR : December 31, 2018

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.

Application	: Applied
Explanation on application of the practice	<p>The Company is led by an experienced Board of Directors ("Board"), with high personal integrity, business acumen and management skills, which is primarily entrusted with the responsibility of charting the direction of OSK Ventures International Berhad ("OSKVI" or "the Company") and its subsidiaries (collectively referred to as "the Group").</p> <p>The Board is responsible for the stewardship of the businesses and affairs of the Group on behalf of the shareholders with a view of enhancing their long-term value. The Board is responsible for establishing corporate goals and providing the strategic direction for the Group. The Board also plays a critical role in ensuring that sound and prudent policies and practices are in place and performs an oversight role on the management of the Group's businesses.</p> <p>The major responsibilities of the Board are outlined in the Board's Terms of Reference ("TOR") and Board Charter, both are available at OSKVI's website http://www.oskvi.com/about_governance.php.</p> <p>In the financial year ended 31 December 2018 ("Financial Year 2018"), the Board discharged its key fiduciary duties, leadership functions and responsibilities as summarised below:</p> <ul style="list-style-type: none"> – Reviewed and approved the strategies, business plans and policies <p>The Board plays a key and active role in the formulation and development of the Company's strategy. It has in place an annual strategy planning process, whereby Management presents its recommended strategy and proposed business plan and budget for the following year to the Board for approval. The Board reviews, deliberates and constructively challenges Management's views and assumptions. The Board had deliberated in depth on the proposed 2019 Business Plan which comprised investment strategies and</p>

	<p>annual budget in view of the evolving marketplace, provided their feedbacks and guidance before approval was given at the Board meeting held in November 2018.</p> <ul style="list-style-type: none"> – Oversaw the conduct of the Company’s businesses to evaluate whether the businesses are being properly managed and sustained <p>In discharging its responsibilities, the Board reviews the Operations Reports presented by Management on a quarterly basis. The Operations Report outlines the performance of the Group and provides updates on each investment category for the quarter under review. Management updates the Board on the key or major developments, achievements and challenges faced by the Group.</p> <ul style="list-style-type: none"> – Ensured management is competent and there is proper succession planning <p>The Board, through the Nomination and Remuneration Committee (“NRC”), is responsible for ensuring that there is an orderly succession planning within the Group. The TOR of the NRC outlines its responsibilities on selection and assessment of Directors and Key Senior Management. The NRC is responsible for reviewing candidates for Director positions based on their profiles, professional qualification, experience and other core competencies.</p> <p>In 2018, there was no new appointment of Director.</p> <ul style="list-style-type: none"> – Ensured the establishment of a sound risk management framework <p>The Board oversees the risk management process of the Group through the Risk Management Committee (“RMC”). The RMC advises the Board on the key risks areas and the adequacy and integrity of the risk management process within the Group.</p> <p>Details of the activities of RMC and the Company’s risk management framework are set out in the Statement on Risk Management and Internal Control of the 2018 Annual Report.</p> <ul style="list-style-type: none"> – Reviewed the adequacy and integrity of the Company’s internal control system <p>The Board delegated the function of overseeing the internal audit function and ensure the adequacy and integrity of the Company’s internal control system to the Audit Committee (“AC”).</p> <p>Details pertaining to the Company’s internal control system are available in the Statement on Risk Management and Internal Control of the 2018 Annual Report.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Mr. Leong Keng Yuen (“Mr. Leong”) and his profile is set out in the Directors’ Profile of the 2018 Annual Report.</p> <p>As the Independent Non-Executive Chairman of the Company, Mr. Leong is responsible for instilling good corporate governance practices, the leadership of the Board, ensuring the Board’s effectiveness on all aspects of its role and setting Board meeting agendas, which mainly focus on strategy, performance and value creation. When conducting Board meetings, Mr. Leong maintains a collaborative atmosphere, ensures that all Directors contribute to debates and a consensus is reached and sufficient time is allowed for the discussion of complex or contentious issues.</p> <p>The roles and responsibilities of the Chairman of the Board are clearly specified in the Board Charter, which is available at OSKVI’s website http://www.oskvi.com/about_governance.php.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Independent Non-Executive Chairman is Mr. Leong and the role of Chief Executive Officer (“CEO”) is assumed by Mr. Yee Chee Wai, the Executive Director/Chief Operating Officer of the Company (“ED/COO”).</p> <p>The profiles of Mr. Leong and Mr. Yee Chee Wai are set out in the Directors’ Profile of the 2018 Annual Report.</p> <p>The Board recognises the importance of the separation of the positions of the Chairman and ED/COO to promote a clear and effective division of responsibility and accountability to distinguish between the provision of leadership to the Board and the executive responsibility for running the Group’s businesses.</p> <p>The clear and distinct roles and responsibilities of the Chairman and ED/COO are clearly defined in the Board Charter, which is available at OSKVI’s website http://www.oskvi.com/about_governance.php.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The 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.

Application	:	Applied
Explanation on application of the practice	:	<p>Ms. Chua Siew Chuan and Ms. Chin Mun Yee are the Company Secretaries of the Company. Both of the Company Secretaries are suitably qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 and are the members of the Malaysian Institute of Chartered Secretaries and Administrators. They are experienced, competent and knowledgeable in the Companies Act 2016, Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Bursa LR"), Malaysian Code on Corporate Governance ("MCCG") and company secretarial matters.</p> <p>The Code of Ethics for Company Secretaries has been in place and the Board ensures that the Company Secretaries appointed have the relevant experiences and skills.</p> <p>They are responsible for ensuring that the Board procedures are followed and the applicable rules and regulations for the conduct of the affairs of the Board are complied with.</p> <p>The Board has full access to the advice and service of the Company Secretaries for the Board's affairs and the businesses. The Company Secretaries advise the Board on issues relating to the Company's Memorandum and Articles of Association, corporate governance best practices, and compliance with laws, rules and regulatory requirements.</p> <p>During the year, all Board meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>The Code of Ethics for Company Secretaries and the roles and responsibilities of the Company Secretaries have been clearly specified in the Board Charter, which is available at OSKVI's website http://www.oskvi.com/about_governance.php.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.5

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.

Application	: Applied
Explanation on application of the practice	<p>To facilitate the Directors' time planning, the annual meeting calendar is prepared and circulated in advance of each new year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees and the Annual General Meeting ("AGM") of the Company.</p> <p>Besides that, the quality of information supplied to the Board is important as it leads to good decision-making. In order to monitor the Company's performance against its strategic objectives, the Board is supplied with both financial and non-financial information, which include but not limited to the following:</p> <ul style="list-style-type: none">- strategy and budget for the year;- quarterly performance reports of the Group;- quarterly operations reports;- investments, acquisitions and disposals of major/material assets;- risks related to its investments and businesses and any non-compliance issues;- major operational and financial issues; and- manpower and human resource matters. <p>In order to ensure that the Board receives information in a timely manner, the notices of Board and Board Committee meetings and meeting materials are distributed to the Directors and Board Committees members at least five (5) business days in advance before the meetings. This is to provide the Board and Board Committees members with sufficient time to go through the meeting papers, seek any clarification and consultation that they may need from Management, Company Secretaries or independent advisers before the meetings, if necessary and to raise relevant issues during the meetings.</p> <p>Meeting agendas are sequenced in such a way taking into consideration the complexity of the proposals and whether there are items for approval, discussion or notation by the Board in order for the Board meetings to be convened in a more effective manner and to enable in-depth deliberations of the matters.</p>

	<p>All proceedings of the meetings including issues raised, deliberations and decisions of the Board, including the Directors who abstained from deliberating or voting, are properly documented in the minutes. The draft minutes of meetings are circulated in a timely manner upon conclusion of the meetings.</p> <p>Board members have complete and unhindered access to the Senior Management and Company Secretaries at all times. Senior Management personnel are invited to attend Board meetings to report to the Board on matters relating to their areas of responsibility, and also to brief and provide details to the Directors on recommendations or reports submitted to the Board. The Board may consult with other employees of the Group and seek additional information, where necessary. Likewise, the Directors also have access to independent professional advice whenever such services are needed to assist them in carrying out their duties at the Company's expense.</p>	
<p>Explanation for departure</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>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a Board Charter, which sets out the policies that the Board has decided to discharge its responsibilities, and to instill good governance and leadership. The Board Charter also serves as a primary reference and part of the induction literature, providing insights to prospective and existing Board members.</p> <p>This is to ensure that all Board members are aware of their fiduciary duties and responsibilities, various legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders, and other stakeholders and that highest standards of corporate governance are applied in all their dealings in respect and on behalf of the Company.</p> <p>The Board will review the Board Charter from time to time to ensure its relevance. In addition to the Board Charter, all related TORs, codes and policies of the Company, will also be reviewed and updated from time to time to ensure its consistency with the Board's objectives, all applicable laws, rules and regulations as well as best practices.</p> <p>The Board Charter is available at OSKVI's website http://www.oskvi.com/about_governance.php.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 3.1

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board updated the previous Code of Conduct and Ethics for the Company Directors and Anti-Corruption Policy to Code of Conduct and Business Ethics, which promotes good business conduct with the highest principles of moral behaviour and integrity, in August 2018. This Code of Conduct and Business Ethics applies to all Directors and employees of the Group.</p> <p>The Code of Conduct and Business Ethics provides guidance on the standards of behaviour expected of all Directors and employees of the Group and being divided into the following three (3) main sections:</p> <ul style="list-style-type: none">- Business Conduct and Ethics;- Conflict of Interest; and- Personal Conduct. <p>With the implementation of the Code of Conduct and Business Ethics, the Company is committed in implementing high ethical standards as its core business principle into its daily business dealings with various business partners.</p> <p>The Company has also adopted a Fit and Proper Standards for Directors and Key Senior Management in ensuring that all Directors and Key Senior Management set the tone and standards at the top by possessing integrity and good character to nurture an ethical culture which engenders ethical conduct throughout all levels.</p> <p>The Code of Conduct and Business Ethics and Fit and Proper Standards for Directors and Key Senior Management are available at OSKVI's website http://www.oskvi.com/about_governance.php.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Whistleblowing Policy seeks to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Company may be exposed.</p> <p>The Whistleblowing Policy sets out the principles and grievance procedures for employees or members of the public to raise genuine concerns of possible improprieties perpetrated within the Group.</p> <p>The details of lodgement channels and Frequently Asked Questions in relation to whistleblowing are available at OSKVI's website http://www.oskvi.com/whistle_blowing.php. The Company through the whistleblowing coordinator shall notify the whistleblower on the outcome of investigation according to the established whistleblowing procedures.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is led by an experienced and competent Board with different expertise.</p> <p>There are five (5) members of the Board, comprising a majority of Independent Directors as follows:</p> <ul style="list-style-type: none"> - three (3) Independent Non-Executive Directors (including the Independent Non-Executive Chairman); and - two (2) Executive Directors. <p>The Board views the number of its Independent Directors as adequate to provide the necessary check and balance to the Board's decision-making process. The Independent Directors have fulfilled their role as Independent Directors through objective participation in Board deliberations and the exercise of unbiased and independent judgement.</p> <p>The Board deems its composition as appropriate in terms of its membership and size. There is a good mix of skills and core competencies in the Board membership. The Board is well represented by individuals with diverse professional backgrounds and experiences in the areas of finance, accounting and economics as well as capital markets services.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 4.4

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.

Application :	Applied
Explanation on application of the practice :	<p>With an objective to achieve a sustainable and balanced development, the Company sees increasing diversity at the Board and Senior Management levels as an essential element in supporting the attainment of its strategic objectives and its sustainable development.</p> <p>In any appointment, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, have been considered to maintain a diversified Board and Senior Management team which will help to grow the Group and have better governance within the Group.</p> <p>The NRC established by the Board, is responsible for screening, evaluating and recommending to the Board the suitable candidates for appointment as Directors and Key Senior Management employees as well as filling vacancies in the Board Committees.</p> <p>In pursuit of the Diversity Policy, the NRC is mindful of its responsibilities to conduct all Board appointments through various approaches and sources in a manner that promotes diversity in the Board which can offer greater depth and breadth in discussion. Other factors taken into consideration include suitability for the role, Board balance and composition, the required mix of skills, the candidate's background, knowledge, integrity, competency, experience and potential contribution to the Group, and additionally, in the case of candidates proposed for appointment as Independent Directors, the candidate's independence based on the criteria stipulated in the Bursa LR.</p> <p>The Company also adopted a Fit and Proper Standards for Directors and Key Senior Management in ensuring that they are of high calibre, sound judgement, high integrity and credibility on a continuing basis.</p> <p>The Diversity Policy and Fit and Proper Standards for Directors and Key Senior Management are available at OSKVI's website http://www.oskvi.com/about_governance.php.</p>
Explanation for departure :	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	: Applied																																			
Explanation on application of the practice	<p>The Board discloses the Diversity Policy in the 2018 Annual Report, which includes gender diversity. The Diversity Policy is available at OSKVI's website http://www.oskvi.com/about_governance.php.</p> <p>The Board is committed to workplace diversity, which includes but is not limited to gender, age, ethnicity, and cultural background. The Board is also committed to Board diversity, which includes the representation of women in the composition of the Board of the Company and at Senior Management level of the Group through adoption of the Diversity Policy.</p> <p>The Board views that the workplace and Board diversity is important to facilitate the decision making process by harnessing different insights and perspectives. The Board, through the NRC, will conduct all Board appointment processes in a manner that promotes gender diversity.</p> <p>The current diversity in gender, ethnicity and age of the Board and Senior Management are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Number</th> <th colspan="3">Ethnicity</th> <th colspan="3">Age Group</th> <th colspan="2">Gender</th> </tr> <tr> <th>Malay</th> <th>Chinese</th> <th>Indian</th> <th>31-40</th> <th>51-60</th> <th>61-70</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Directors</td> <td>-</td> <td>4</td> <td>1</td> <td>1</td> <td>2</td> <td>2</td> <td>4</td> <td>1</td> </tr> <tr> <td>Senior Management^</td> <td>-</td> <td>3</td> <td>-</td> <td>2</td> <td>1</td> <td>-</td> <td>1</td> <td>2</td> </tr> </tbody> </table> <p>Note: ^ includes two (2) Executive Directors.</p> <p>Presently, there is one (1) female Director on the Board of the Company, representing 20% women participation in the Board and there are two (2) female Senior Management, representing 66.7% women participation at Senior Management level.</p>	Number	Ethnicity			Age Group			Gender		Malay	Chinese	Indian	31-40	51-60	61-70	Male	Female	Directors	-	4	1	1	2	2	4	1	Senior Management^	-	3	-	2	1	-	1	2
Number	Ethnicity			Age Group			Gender																													
	Malay	Chinese	Indian	31-40	51-60	61-70	Male	Female																												
Directors	-	4	1	1	2	2	4	1																												
Senior Management^	-	3	-	2	1	-	1	2																												

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

Intended Outcome

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

Practice 4.6

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The primary responsibility on screening, evaluating and nominating new Board member(s) for appointment is delegated to the NRC. The nomination process and the criteria used by the NRC in the selection process for the appointment of Directors are clearly set out in the Board Charter.</p> <p>In respect of the appointment of Directors, the Company practises a clear and transparent nomination process which involves the following five (5) stages:</p> <p>Stage 1: Identification of candidates Stage 2: Evaluation of suitability of candidates Stage 3: Meeting up with candidates Stage 4: Final deliberation by the NRC Stage 5: Recommendation to the Board</p> <p>The identification of candidates for the appointment of Directors is facilitated through recommendations from the Directors, Management or external parties including the Company's contacts in related industries, finance, legal and accounting professions.</p> <p>The Board takes cognizance of utilising independent sources to identify qualified candidates as recommended by the MCCG although there was no appointment of Director during the Financial Year 2018.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The NRC is chaired by Dr. Ngo Get Ping, the Senior Independent Non-Executive Director of the Company. The profile of Dr. Ngo Get Ping is set out in the Directors' Profile of the 2018 Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	: Applied								
Explanation on application of the practice	<p>The Board, through the NRC, has established a formal assessment mechanism to carry out its assessment on an annual basis on the effectiveness of the Board Committees, the Board as a whole and the contribution of each individual Director, including the independence of the Independent Non-Executive Directors.</p> <p>The Assessment Mechanism and Measurement System are available at OSKVI's website http://www.oskvi.com/about_governance.php.</p> <p>The annual assessment criteria of individual Directors have been reviewed and updated in November 2018 and are aligned with the practices of the MCCG. The areas covered in the annual assessment criteria of the Board, Board Committees and individual Directors are as follows:</p> <table border="1" data-bbox="480 1274 1321 1783"> <thead> <tr> <th data-bbox="480 1274 687 1384">Evaluation</th> <th data-bbox="687 1274 1321 1384">Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td data-bbox="480 1384 687 1568">Board</td> <td data-bbox="687 1384 1321 1568">Board mix and composition, understand the Group's mission, succession planning and development, risk and internal control oversight, effectiveness and communication</td> </tr> <tr> <td data-bbox="480 1568 687 1677">Board Committees</td> <td data-bbox="687 1568 1321 1677">Composition, effectiveness, support, contribution and communication</td> </tr> <tr> <td data-bbox="480 1677 687 1783">Individual Directors</td> <td data-bbox="687 1677 1321 1783">Overall, time commitment, preparation for meetings, contribution and performance.</td> </tr> </tbody> </table> <p>In Financial Year 2018, the NRC has conducted the annual assessment on the following areas:</p> <ul data-bbox="472 1928 1406 2018" style="list-style-type: none"> - the Board's effectiveness as a whole; - the performance of the Board Committees where each Board Committees has self evaluated itself; 	Evaluation	Assessment Criteria	Board	Board mix and composition, understand the Group's mission, succession planning and development, risk and internal control oversight, effectiveness and communication	Board Committees	Composition, effectiveness, support, contribution and communication	Individual Directors	Overall, time commitment, preparation for meetings, contribution and performance.
Evaluation	Assessment Criteria								
Board	Board mix and composition, understand the Group's mission, succession planning and development, risk and internal control oversight, effectiveness and communication								
Board Committees	Composition, effectiveness, support, contribution and communication								
Individual Directors	Overall, time commitment, preparation for meetings, contribution and performance.								

	<ul style="list-style-type: none"> - the peer performance assessment of each individual Director; - the overall composition of the Board in terms of the appropriate size, mix of skills, experience and core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors; - the independence of the Independent Directors; - the performance of Directors who will be retiring at the AGM of the Company prior to recommending them for re-election; - the diversity of the Board and workforce composition in terms of gender, ethnicity, age and nationality; - the training programmes attended by the Directors during the financial year; and - the performance of the Head of Finance, who is primarily responsible for the management of the financial affairs of the Company pursuant to Rule 2.20A of Bursa LR and agreed that she has the character, experience, integrity, competence and time to effectively discharge her role as the Head of Finance of the Company. <p>Following the annual review, the NRC agreed that the Board as a whole, the Board Committees and each individual Director had performed well and effectively and the overall composition of the Board in terms of size, mix of skills, experience, core competencies and the balance between the Executive Directors, Non-Executive Directors and Independent Directors, was appropriate. The Independent Directors had also fulfilled their independent role in corporate accountability through their objective participation in the Board deliberations during the Board meetings. In addition, the NRC obtained an annual declaration of independence from the Independent Directors confirming their independent status pursuant to the Bursa LR. Post evaluation, each Board member is provided with his/her individual peer aggregate assessment and comments, if any, for personal information and further development.</p> <p>The Board views the current evaluation process as adequate to provide an objective assessment on the effectiveness of the Board, the Board Committees and each individual director.</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has developed a Remuneration Policy for the remuneration of Directors and Key Senior Management. The Board is aware that fair remuneration is critical to attract, retain and motivate its Directors and Key Senior Management.</p> <p>In determining the level and make-up of the remuneration of Directors and Key Senior Management, the NRC is guided by the Remuneration Policy to consider amongst others, the following:</p> <ul style="list-style-type: none">- ensure the remuneration supports the Group's objectives, culture and strategy;- remuneration and employment conditions of the industry and market as a whole;- the Group's performance;- individual performance against established criteria and performance related elements, his or her responsibility and accountability;- the remuneration for Non-Executive Directors must be in line with the level of contribution, and taking into account factors such as effort and time spent and the responsibilities entrusted; and- the remuneration for each Board member to be based on the level of expertise, knowledge and experience. <p>The NRC is delegated by the Board to review the remuneration packages of Directors and Key Senior Management.</p> <p>The Remuneration Policy is reviewed periodically and was last reviewed in February 2018. The Remuneration Policy is available at OSKVI's website http://www.oskvi.com/about_governance.php.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 6.2

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

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

Application :	Applied
Explanation on application of the practice :	<p>The NRC is delegated by the Board to implement Remuneration Policy and to review the remuneration packages of Directors and Key Senior Management.</p> <p>The NRC consists wholly of Independent Non-Executive Directors, governed by its TOR which is available at OSKVI's website http://www.oskvi.com/about_governance.php.</p> <p>The NRC is empowered by its TOR to have the resources, full and unrestricted access to any information required to perform its duties.</p> <p>In Financial Year 2018, the NRC carried out an annual review of the Directors' remuneration whereupon recommendations are submitted to the Board for approval. Such annual review is to ensure that the remuneration package of the Directors remains sufficiently attractive to attract and retain Directors of such calibre to provide the necessary skills and experience as required and commensurate with the responsibilities for the effective management and operations of the Group to drive the Company's long-term objectives.</p> <p>The level of remuneration of Non-Executive Directors generally reflects the experience and level of responsibilities undertaken. Ordinary remuneration consists of an annual fee, a sum based on their responsibilities in Board Committees, meeting allowance and reimbursement of reasonable expenses incurred in the course of their duties. The remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at board meetings.</p> <p>The proposed annual fee for the Non-Executive Directors is RM36,000 each, with an additional fee of RM15,000 to be payable to the Chairman of the Board and RM10,000 to be payable to the Chairman of AC as well as RM5,000 each to be payable to the Chairman of the RMC and NRC.</p>

	<p>The proposed Directors' fees for the Financial Year 2018 and the proposed Directors' benefits for the period from 26 April 2019 until the next AGM of the Company to be held in year 2020 will be tabled at the 2019 AGM for the approval of the shareholders.</p> <p>An Executive Director is not entitled to the above Director's fee nor any meeting allowance for Board or Board Committees meetings that he/she attends.</p> <p>For the Executive Directors, the component parts of remuneration are structured so as to link rewards to corporate and individual performance. The current remuneration packages of the Executive Directors include a monthly salary and benefits-in-kind/emoluments such as company car, driver, travel allowance and other components.</p> <p>In addition to the above, the Directors have Directors' & Officers' ("D&O") Liability Insurance in respect of any liabilities arising from acts committed in their capacity as D&O of the Group. However, the said insurance policy does not indemnify a Director or principal officer if he/she is proven to have acted negligently, fraudulently or dishonestly, or in breach of his/her duty or trust.</p> <p>The Executive Directors do not participate in the decision with regards to their own remuneration. The remuneration package for Non-Executive Directors is determined by the Board as a whole following the relevant recommendations made by the NRC, with the Directors concerned abstaining from deliberations and voting on his/her own remuneration.</p>	
<p>Explanation for departure :</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>Measure :</p>		
<p>Timeframe :</p>		

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 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration for the Financial Year 2018 for individual Directors with breakdown into fees, salaries and bonus, benefits in-kind and other emoluments are disclosed under Note 10 of the Financial Statements in the 2018 Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the view that it is inappropriate to disclose the remuneration of top five (5) Senior Management other than the Executive Directors given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues.	
		The performance of Senior Management is evaluated on an annual basis and measured against the targets sets for the year. The remuneration packages are reviewed annually and adjustments to their remuneration are made based on not only on their individual performance and contributions in the preceding year, but also the Company's performance.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	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 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of AC, Dato' Thanarajasingam Subramaniam, is not the Chairman of the Board as the Board acknowledges that the AC, being an independent and objective body, should function as the Company's independent watchdog to ensure the integrity of its financial controls and effective financial risk management.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>In February 2018, the AC has updated the TOR of the AC to include the requirement for a former key audit partner of the Company to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.</p> <p>Currently, none of the AC members are former key audit partners of the Company.</p> <p>The TOR of the AC is available at OSKVI's website http://www.oskvi.com/about_governance.php.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC has adopted the Guidelines on the Performance Evaluation of External Auditors.</p> <p>In August 2018, the External Auditors, Messrs. Ernst & Young ("EY") presented its 2018 Audit Plan for the AC's review. The 2018 Audit Plan outlined its engagement team, EY services, independence, concept of materiality, the areas of audit emphasis, multi-location scoping, involvement of Tax Accounting and Risk Advisory Services, fraud considerations and the risk management override, fair and transparent fees and audit timeline. This formed part of the AC's assessment of the suitability, objectivity and independence of EY on an annual basis.</p> <p>The AC conducted an annual assessment of the suitability, objectivity and independence of the External Auditors in respect of the financial year under review based on several factors, including independence of the External Auditors, quality of audit review procedures and adequacy of the firm's expertise and its resources in carrying out the audit work that they were tasked with, as set out in the Guidelines on the Performance Evaluation of External Auditors.</p> <p>Based on the outcome of its assessment, the AC had recommended to the Board for the shareholders' approval to be sought on the re-appointment of External Auditors at the AGM.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted												
Explanation on adoption of the practice	:	<p>The AC comprises solely of Independent Directors. The composition of the AC is as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Member</th><th>Designation</th></tr></thead><tbody><tr><td>1.</td><td>Dato' Thanarajasingam Subramaniam (Chairman)</td><td>Independent Non-Executive Director</td></tr><tr><td>2.</td><td>Mr. Leong Keng Yuen</td><td>Independent Non-Executive Chairman</td></tr><tr><td>3.</td><td>Dr. Ngo Get Ping</td><td>Senior Independent Non-Executive Director</td></tr></tbody></table>	No.	Member	Designation	1.	Dato' Thanarajasingam Subramaniam (Chairman)	Independent Non-Executive Director	2.	Mr. Leong Keng Yuen	Independent Non-Executive Chairman	3.	Dr. Ngo Get Ping	Senior Independent Non-Executive Director
No.	Member	Designation												
1.	Dato' Thanarajasingam Subramaniam (Chairman)	Independent Non-Executive Director												
2.	Mr. Leong Keng Yuen	Independent Non-Executive Chairman												
3.	Dr. Ngo Get Ping	Senior Independent Non-Executive Director												

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.5

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

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

Application	: Applied
Explanation on application of the practice	<p>The AC's effectiveness hinges on a number of critical factors, including knowledge, experience and commitment of the AC members, the AC's leadership, dynamics and chemistry, and their quality interaction with Management, Internal Auditors and External Auditors.</p> <p>The members of the AC collectively have the necessary skills related to finance, banking, commerce and capital markets to meet their responsibilities and provide an effective level of challenge to Management.</p> <p>In Financial Year 2018, the NRC has undertaken an annual assessment on the effectiveness of the AC and the individual AC members. Following the annual review, the NRC agreed that the overall composition of the AC in terms of size, mix of skills, experience, core competencies and the balance between the AC members is appropriate, and collectively, the AC members are financially literate and able to understand matters under the purview of the AC including the financial reporting process.</p> <p>All the AC members have undertaken ongoing training and development to keep themselves abreast with the latest development and changes to regulatory requirements, and ensure that they are equipped with relevant knowledge and skills to discharge their duties more effectively.</p> <p>The training programmes, seminars and forums attended by AC members in Financial Year 2018 are as follows:</p> <p>Dato' Thanarajasingam Subramaniam</p> <ul style="list-style-type: none">- How Millennials are Shaping the Future of the Capital Market- Delivering Faster, Cheaper and Better Value Adding Audit Result Through Risk Based Auditing- Alternative Funding for SMEs (Part 1) - Introduction To ECF, P2P and Leap Market

	<p>Leong Keng Yuen</p> <ul style="list-style-type: none"> - Know The Process, Know Your Rights: Tax Does Not Have to be Taxing - Introduction to Malaysian Business Reporting System (MBRS) <p>Dr. Ngo Get Ping</p> <ul style="list-style-type: none"> - ICM Series: The Shariah Rule-Making Process in Modern Islamic Finance Explained - Islamic Finance Beyond Banking - AML Briefing to Board of Directors and Senior Management 	
<p>Explanation for departure :</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>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

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

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

Practice 9.1

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

Application	: Applied
Explanation on application of the practice	<p>An Enterprise Risk Management Framework has been established to provide the overall guidelines and approach to the Group's risk management.</p> <p>In providing assurance to the Board on the Group's adequacy and effectiveness of risk management, the risk management function actively monitors the Group's portfolio of major risks via the Risk Control Self-Assessment ("RCSA") approach. The RCSA results and Major Risk Cards were presented to the RMC and the Board, where internal controls and risk mitigation strategies were highlighted.</p> <p>The RMC and the Board will meet and deliberate on the top risks identified on a quarterly basis. Ad-hoc or new critical risks are escalated to the RMC and the Board immediately for deliberation. Significant issues arising from changes in business environment are reviewed continuously to ensure minimal impact to the Group.</p> <p>The AC monitors and reviews the effectiveness of the internal audit activities and that actions have been taken by Management to correct the deficient conditions and improve control processes highlighted by the internal auditors, thereby contributing to the ongoing effectiveness of the system of risk management and internal control.</p> <p>The above are also set out in the Statement on Risk Management and Internal Control of the 2018 Annual Report.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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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 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group established the Enterprise Risk Management Framework that sets the tone of the Group's approach to enterprise risk management practices. The following are the key features of the risk management framework:</p> <ul style="list-style-type: none"> - Assure - Provide assurance to the Board that a firm and sound risk management and internal control systems are in place and to meet any requirements of regulatory bodies; - Guide - Provide guiding risk management principles to functional leaders to govern the actions of risk identification and assessment; - Monitor - Apply the risk management processes systematically across the Group to identify, assess, treat and manage risks that threaten resources or the achievement of the Group's objectives and review the risk reports arising therefrom; - Strategise - Provide Management with a summary of key risks that may affect the respective business units and to ensure these risks are adequately managed; and report on the Group's risk exposures and mitigation plans. <p>The above is also set out in the Statement on Risk Management and Internal Control of the 2018 Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe :		
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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 9.3 - Step Up

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

Application	:	Adopted												
Explanation on adoption of the practice	:	<p>The Board oversees the risk management framework of the Group through the RMC. The RMC advises the Board on the key risks area and the adequacy and integrity of risk management policies and framework within the Group.</p> <p>The RMC comprises entirely Independent Directors and is chaired by the Senior Independent Non-Executive Director.</p> <p>The composition of the RMC is as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Member</th><th>Designation</th></tr></thead><tbody><tr><td>1.</td><td>Dr. Ngo Get Ping (Chairman)</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>2.</td><td>Mr. Leong Keng Yuen</td><td>Independent Non-Executive Chairman</td></tr><tr><td>3.</td><td>Dato' Thanarajasingam Subramaniam</td><td>Independent Non-Executive Director</td></tr></tbody></table>	No.	Member	Designation	1.	Dr. Ngo Get Ping (Chairman)	Senior Independent Non-Executive Director	2.	Mr. Leong Keng Yuen	Independent Non-Executive Chairman	3.	Dato' Thanarajasingam Subramaniam	Independent Non-Executive Director
No.	Member	Designation												
1.	Dr. Ngo Get Ping (Chairman)	Senior Independent Non-Executive Director												
2.	Mr. Leong Keng Yuen	Independent Non-Executive Chairman												
3.	Dato' Thanarajasingam Subramaniam	Independent Non-Executive Director												

Intended Outcome

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>As stated in the “Internal Audit Function” section in AC Report of the 2018 Annual Report, the internal audit function is outsourced to an external consultant, who reports directly to the AC.</p> <p>The outsourced internal audit function is independent of the activities and operations of the Group. All the internal audit personnel providing this outsourced service are also free from any relationships or conflicts of interest.</p> <p>During the financial year under review, the AC has:</p> <ul style="list-style-type: none"> - Reviewed the adequacy of the scope, functions, competency and resources of the outsourced internal audit function providing the internal audit services; - Reviewed and discussed the internal audit plan to ensure adequate scope and coverage over the activities of the Group and ensure that all high risk areas were covered during the review; - Reviewed the internal audit reports tabled during the year including the audit recommendations made and Management’s response to these recommendations; - Reviewed the corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis; - Evaluated the performance of the outsourced internal audit function for the audits carried out in providing assurance on the Group’s risk management and internal control during the year; and - Met with the Internal Auditors once in November 2018 without the presence of Management. All matters pertaining to the audit had been discussed and satisfactorily resolved with the Management.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 10.2

The board should disclose–

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

Application	:	Applied	
Explanation on application of the practice	:	<p>As stated in the “Internal Audit Function” section in AC Report of the 2018 Annual Report, the internal audit function is outsourced to an external consultant, Mr. Young Tat Yong and he reports directly to the AC. Mr. Young Tat Yong is a Chartered Fellow of the Institute of Internal Auditors Malaysia and an associate member of the Chartered Institute of Management Accountants and has more than 30 years’ experience in auditing.</p> <p>All the internal audit personnel providing this outsourced service are free from any relationships or conflicts of interest.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 11.1

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

Application :	Applied
Explanation on application of the practice :	<p>The Board recognises the importance of timely and high-quality disclosure as a key component to uphold the principles and best practices of corporate governance for the Group. As such, maintaining an effective communication policy between members of the public and the Company is important to build trust and understanding between the Company and its stakeholders.</p> <p>The Company has adopted the Corporate Disclosure Policy and Procedures, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to the shareholders and the investing public. The Board has established a Corporate Disclosure Committee to oversee the implementation of and adherence to the Corporate Disclosure Policy and Procedures.</p> <p>In ensuring effective, transparent and regular communication with its stakeholder, the following communication channels are mainly used by the Company to disseminate information on a timely basis:</p> <ul style="list-style-type: none">- General meetings, which is an important forum for shareholders to engage with the Directors and Senior Management of the Company;- Annual Report, which communicates comprehensive information on the businesses, as well as the financial results, governance and key activities undertaken by the Group;- Quarterly announcements and corporate disclosures to Bursa Securities, which are available at Bursa Securities' website http://www.bursamalaysia.com/market/, as well as at OSKVI's website http://www.oskvi.com/announcement.php;- Press releases, which provide up-to-date information on the Group's key corporate initiatives and investments, if any; and- The Company's website at http://www.oskvi.com/, which provides corporate information of the Group, as well as the Company's announcements and financial information.

	<p>The Board also recognises that effective and timely communication of information related to the Company’s business strategies, financial performance and business initiatives is essential in maintaining good relationship with the investors and stakeholders. Other than the Company’s website at http://www.oskvi.com/ which provides comprehensive, accurate and timely corporate information to the general public, Mr. Yee Chee Wai, the ED/COO of the Company has been identified to address enquiries from the shareholders, investors and the general public. The profile of Mr. Yee Chee Wai is set out in the Directors’ Profile of the 2018 Annual Report.</p> <p>Dr. Ngo Get Ping has been identified by the Board as the Senior Independent Non-Executive Director of the Company to whom concerns of the shareholders and other stakeholders may be conveyed. The profile of Dr. Ngo Get Ping is set out in the Directors’ Profile of the 2018 Annual Report.</p> <p>In addition to the above, shareholders and investors can enquire about investor relations matters via the dedicated email address which is made available at OSKVI’s website http://www.oskvi.com/contact.php.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not fall under the category of “Large Companies” as defined in the MCCG.	
		Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 2018 Annual Report, which contains the Notice of AGM, together with the explanatory notes of the background information and reports or recommendations that are relevant to the proposed resolutions, as well as the Form of Proxy, is sent to the shareholders at least 28 days prior to the date of the AGM, so as to give sufficient time for the shareholders to consider the resolutions that will be discussed and decided at the AGM, and to arrange for proxies to attend the AGM on their behalf, if so required.</p> <p>The Company distributes an Administrative Guide when giving notice of the AGM, which provides information to the shareholders regarding the details of the AGM, their entitlement to attend the AGM, their right to appoint proxy and information as to who may count as a proxy.</p> <p>The Notice of AGM, which sets out the businesses to be transacted at the AGM, is also published in a major local newspaper and Company's website as well as Bursa Securities' website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All directors are committed to attend general meetings to foster effective two-way communication between the shareholders and the Board and will take any relevant questions addressed to them unless illness or other pressing commitments preclude them from attending the general meetings.</p> <p>During the year, all Directors attended and participated at the Fourteenth AGM.</p> <p>The Associate Director, Finance & Administration and representatives of External Auditors were also present to respond to any queries raised by the shareholders at the AGM.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Company does not have meetings in remote locations nor does it have a large number of shareholders for it to leverage on technology to facilitate shareholders voting in absentia or having remote shareholders' participation in general meetings. It is also currently not cost effective nor practical for the Company to do so.
		The Company currently practise the electronic voting platform via polling stations.
		In the event the shareholders are unable to attend the general meeting, the shareholders are allowed to appoint any person or the chairman of the meeting as their proxies to attend and vote in his stead at the general meeting.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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.

Not Applicable.
