

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5264
COMPANY NAME : Malakoff Corporation Berhad
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.

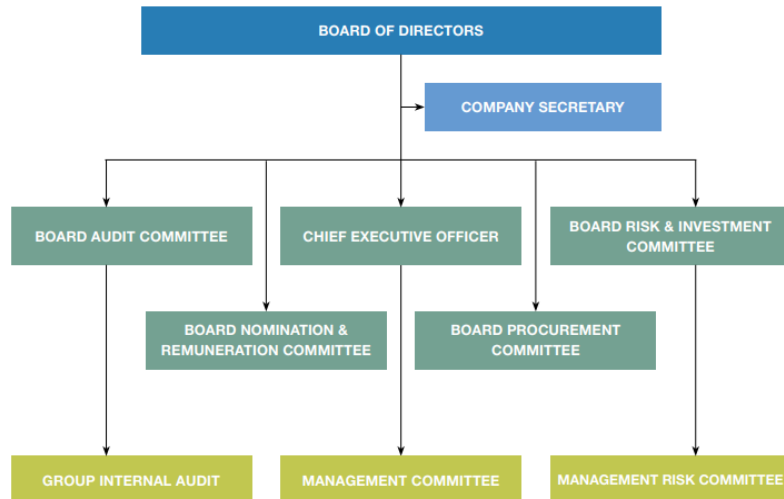
Intended Outcome

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of Malakoff Corporation Berhad ("Malakoff" or "Company") remains committed to promoting corporate governance culture and transparency within the Company. The Board is committed to carrying out its responsibilities as stewards of the Group with due care, skill and diligence.</p> <p>The Board oversees the Group's businesses and performance as part of its collective responsibility for the Group's long-term success, collaborating with Senior Management to achieve the Group's strategic objectives and deliver long-term value to its stakeholders.</p> <p>The Board is primarily responsible for the Group's overall strategic plans and directions (5-year business plan), as well as overseeing business operations, risk management, senior management succession planning, implementing investor relations programmes, and ensuring adequate and effective internal control and management information systems.</p> <p>In carrying out its oversight function, the Board is assisted by four Board Committees namely Board Audit Committee ("BAC"), Board Nomination and Remuneration Committee ("BNRC"), Board Procurement Committee ("BPC") and Board Risk and Investment Committee ("BRIC"). The Board has implemented the following governance structure:</p>



The Board directs and oversees the management of Malakoff's business and affairs, with the goal of achieving long-term success and delivering sustainable value to its stakeholders. The Board determines the Company's strategic direction, monitors Management's strategy execution and financial performance and responsible in making major policy decisions.

The duties and responsibilities of the Board are as follows:

- review and adopt the overall strategic plans and programmes for the Company and the Group;
- oversee and evaluate the conduct of business of the Company and the Group;
- review and ensure that transaction entered into with a related party is fair, reasonable and not to the detriment of minority shareholders;
- identify principal risks and ensure implementation of a proper risk management system to manage such risks;
- establish a succession plan for the Board and Management;
- develop and implement a shareholders communication policy for the Company;
- review the adequacy and integrity of the information management and internal controls systems of the Company and the Group; and
- promote, together with Senior Management, good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.

The Board Charter defines the Board's roles and responsibilities, the principles for Board's operation, Board's evaluation and remuneration and code of ethics and conduct and matters reserved for the Board. The Board Charter is accessible through the Company's website at <https://www.malakoff.com.my/corporate-governance>

The Board reviews the Board Charter as needed to ensure its relevance to the Company's operating environment and compliance with rules and regulations.

	<p>The Limits of Authority (“LOA”) is a Group policy that specifies the authority limits for the Board, Board Committees, Management Committee, Managing Director or Chief Executive Officer and Senior Management to facilitate compliance with good corporate governance principles. The Board retains the overall management and control of the Group’s business and affairs. The Board may, if necessary, revise the LOA to reflect the change in the Group’s operating environment.</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

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 Independent Non-Executive Chairman of the Company, Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali, was appointed to the Board on 1 January 2022. During his first year of chairmanship in Malakoff, Tan Sri Tajuddin has introduced good corporate governance practices especially on boardroom matters and inculcated the highest standards of integrity throughout the Group. He ensures the Company applies the best practice of corporate governance and complies with the new requirements launched by the regulators.</p> <p>The Chairman ensures that the Board is thoroughly briefed on matters presented at Board meetings with adequate information received that enables the Board to make an informed decision.</p> <p>The Chairman of the Board collaborated closely with the members of BNRC to ensure that the Board's structure is optimal, including a good mix of skills, credentials, experience and diversity.</p> <p>The roles and responsibilities of the Chairman are outlined in the Board Charter, which is available on the website at https://www.malakoff.com.my/corporate-governance.</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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>To ensure a balance of power and authority, there is a clear division of responsibilities between the Chairman and CEO, and no individual has unrestricted decision and control powers.</p> <p>Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali is the Independent Non-Executive Chairman of the Company since 1 January 2022. He has discharged his duties as Chairman at the Board and shareholders' meetings, ensuring all Directors are properly briefed during Board discussions, and informing shareholders of the subject matters requiring their approval. The strategic business direction of the Group is jointly determined by all Directors.</p> <p>The Group is led by the Managing Director/Chief Executive Officer ("MD/CEO"), Encik Anwar Syahrin Abdul Ajib, who is responsible for overall operations of the business and management of the organisation to ensure that the Group's strategies, policies, and matters are effectively implemented.</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 1.4

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>			
Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Chairman of the Company is not a member of the BAC but a member of BNRC. The Board is of the view that the Chairman is able to exercise objective view and provide impartial suggestion in dealing with matters tabled for BNRC's deliberation.	
		The Board may consider the reshuffling of chairmanship for each committee including BNRC with the appointment of additional Independent Non-Executive Director (" INED ") on Board.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board may review the composition of each Board committee upon the recruitment of additional INEDs on the Board to complement the Board committee functions.	
Timeframe	:	Others	As and when the Board might think appropriate to implement.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>During financial year 2022, two (2) qualified company secretaries who are experience and competent in their roles provide support to the Board. Encik Noor Raniz Mat Nor is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and Ms Cheryl Rinai Kalip is a Licensed Secretary.</p> <p>The Company Secretaries advises the Board particularly on the Company's Constitution and Board policies and procedures, as well as compliance with applicable rules and regulations. They are responsible for arranging and preparing the schedule of Board and Board Committees meetings for the entire year ahead of time, so that the Directors are given enough time to plan their schedules and attend the meetings.</p> <p>The agenda is prepared by the Company Secretaries and reviewed by the MD/CEO. They ensure that Board and Board Committee deliberations are clearly and comprehensively documented as source documents. Decisions of the Board and Board Committees, as well as matters requiring further action, are communicated to Management and/or escalated to the relevant approving authority for approval, if necessary.</p> <p>Updates on follow-up actions are provided to the Board and Board Committees at subsequent meetings until the matter is closed or resolved. The Company Secretaries notify the Board and Senior Management of the open periods and closed periods pending the announcement of the Company's quarterly interim financial reports to Bursa Malaysia Securities Berhad ("Bursa Malaysia"), in order to ensure that any dealings in the Company's securities and the disclosure obligations arising therefrom are adhered to by the Directors and Senior Management of the Company. On a quarterly basis, the Company Secretaries compile and table a summary of the Board's dealings for information.</p> <p>Ms Cheryl Rinai Kalip resigned as joint company secretary of the Company on 23 August 2022.</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

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>Board materials and information (meeting agenda, Board papers and minutes) are targeted to be circulated at least five (5) days prior to each meeting to provide the Directors with sufficient time to read and understand the information, request for additional information, seek clarification or explanation from Management on the matters to be considered.</p> <p>The Company uses a secure application to electronically distribute meeting papers to the Directors. This ensures that the Directors have easy access to meeting materials.</p> <p>Following the conclusion of each meeting, minutes of meeting are circulated for the Board's review within a reasonable timeframe and recorded in the minutes book after the confirmation of minutes at the next Board meeting.</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 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 Charter defines the Board's roles and responsibilities, the principles for Board's operation, Board's evaluation and remuneration, code of ethics and conduct and matters reserved for the Board. The Board Charter is accessible through the Company's website at https://www.malakoff.com.my/corporate-governance.</p> <p>The Board reviews the Board Charter as needed to ensure its relevance to the Company's operating environment and compliance with rules and regulations.</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 3.1

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 Group has adopted a Code of Conduct that aims to promote good business practices, ethical behaviour and the maintenance of a healthy corporate culture within the Group.</p> <p>The Code of Conduct applies to all Directors, employees, vendors, suppliers, contractors and other external parties who have dealings, arrangements or trading with the Group. It establishes business ethics and standards which serve as a guide for the parties in defining ethical standards and workplace conduct. This will guide them to exercise sound judgement in carrying out their duties and responsibilities on the conduct of the Group's business.</p> <p>The Group is committed to acting professionally, fairly and with integrity in all business dealings and relationships including its supply chain, and to uphold high standards of ethics and integrity.</p> <p>The Board has established the Integrity & Governance Unit to oversee the Group's Anti-bribery and Anti-corruption policy, procedures and framework.</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 Whistleblowing Policy established by the Board embodies the Company's commitment to promote and maintain high standards of transparency, accountability, ethics and integrity at the workplace. This policy provides employees and third parties with proper avenue and procedures to disclose cases of improper conduct which include criminal offences, fraud, corruption, non-compliance to laws and regulations, breach of Group policies and Code of Conduct or other malpractices without fear of reprisal.</p> <p>A whistle-blower is assured confidentiality of identity and this includes protecting the whistle-blowers from detrimental action within the Company, to the extent that is reasonable practicable, that may result from the disclosure of improper conduct, provided that the disclosure is made in good faith.</p> <p>The Whistleblowing Policy is also to ensure that fair treatment is provided to both the whistle-blower and the alleged wrong-doer upon disclosure of improper conduct.</p> <p>Disclosure of improper conduct can be made verbally or in writing to the Chairman of the Board Audit Committee ("BAC") and the Chief Internal Auditor through letter or e-mail to whistleblowing@malakoff.com.my.</p> <p>The salient terms of the Whistleblowing Policy are made available at the Company's 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	:		
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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 4.1

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.

Application	:	Applied
Explanation on application of the practice	:	<p>Malakoff takes into account sustainability considerations in the Company's planning and performance. The Board and Senior Management have direct oversight on sustainability-related matters, which sets a strong tone from the top as they integrate Environmental, Social & Governance ("ESG") factors into their investment decision-making process and the Group's overall strategy as the Company embarks to be a sustainably conscious organisation.</p> <p>A dedicated Sustainability & Research team has been established to focus on the Company's sustainability strategies and decarbonisation roadmap as the Group moves towards Net Zero Emissions by 2050.</p> <p>The Group has established a Sustainability Framework with key focus on the ESG principles, covering key areas such as Climate Change, Circular Economy, Water Security, Corporate Social Responsibility, Health, Safety, Security & Environment, Diversity, Corporate Governance, Risk Management and Compliance & Integrity.</p> <p>Malakoff will establish a Management Sustainability Committee that reports directly to the Board of Directors, overseeing the implementation of sustainability initiatives and being accountable for the Company's sustainability performance.</p> <p>The Group's material sustainability matters have also been reviewed and included in the Integrated Annual Report, outlining key risks and opportunities as well as the Group's approach towards creating long-term value.</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

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.

Application	:	Applied	
Explanation on application of the practice	:	Internal and external stakeholders are kept informed to date through existing engagement platforms such as townhall meetings, materiality surveys and engagement workshops by the relevant functional units. The Group also communicates its sustainability strategies, targets and performance to the investment community through its participation in sustainability indices and questionnaires. As part of Malakoff's engagement with external stakeholders, focus group discussions, targeted shareholders engagements and interviews/surveys are carried out to communicate and gauge external perceptions on the Company's sustainability performance.	
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 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>To ensure the Board is equipped and ready to execute its role, the Board will identify its professional development needs concerning sustainability and ensure these are addressed. All ESG matters have been integrated into the Group’s business strategies, as determined by the Board and Senior Management.</p> <p>In response to the effects of climate change, Malakoff’s sustainability agenda includes the consideration of transitioning to a cleaner energy and circular economy future, with clear capacity targets for the Group’s Renewable Energy and Environmental Solutions business segments.</p> <p>An ESG report is presented to the board each year to highlight key sustainability themes, climate-related issues, the Group’s carbon emission trend and overall sustainability performance.</p> <p>The Board evaluates its composition and skills matrix to strengthen board leadership and oversight of sustainability issues.</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 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group’s Corporate Key Performance Indicators include key ESG metrics since 2022. The Company has further enhanced its ESG metrics to include emission intensity reduction, recycling rate, Lost Time Injury Frequency Rate (“LTIFR”), statutory & regulatory compliance and anti-bribery awareness.</p> <p>The Group has also established a Sustainability Framework and is currently evaluating key sustainability targets as part of the Company’s efforts to address sustainability risks and opportunities.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	Malakoff's Head of Sustainability & Research, a member of the Company's management team, is in charge of overseeing and managing the Company's sustainability matters and reporting. A Management Sustainability Committee will be established to report to the Board on the Group's sustainability initiatives, strategy and performance to ensure ESG considerations are embedded in the Company's overall strategy and investment decisions.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The BNRC regularly assesses the Board composition and ensures the Board has the right mix of skill, knowledge, experience, expertise, independence and diversity to facilitate effective and efficient function of the Board 's performance.</p> <p>The BNRC had, for financial year 2022, reviewed the candidates for woman director and proposed for Dr. Norida Abdul Rahman to be appointed as new Independent Non-Executive Director of the Company.</p> <p>Other than new nomination of director, the BNRC reviews the performance of all Directors annually especially for those seeking for re-election based on competency, preparedness and independence (for independent directors). Only those directors with satisfactory performance are recommended to the Board for re-election at the annual general meeting ("AGM").</p> <p>The annual performance evaluation of the Board, Board Committees and individual directors for FY2022 was conducted by an external independent consultant, Tricor Axcelasia Sdn Bhd. The assessment criteria, process and results are elaborated in Practice 6.1 of the CG 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	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board comprises a majority of independent directors with five out of nine board members are Independent Non-Executive Director (“INED”) including the Chairman as follows:</p> <ul style="list-style-type: none">(i) Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali (appointed on 1 January 2022);(ii) Datuk Dr. Syed Muhamad Syed Abdul Kadir;(iii) Datuk Idris Abdullah;(iv) Datuk Rozimi Remeli; and(v) Dr. Norida Abdul Rahman (appointed on 1 August 2022). <p>The Company complies with the MMLR of Bursa Malaysia which require at least two independent directors or one-third of the Board, whichever is greater, to be appointed.</p> <p>All independent directors of the Company are of high calibre with diversified background and wide skills and in-depth experience in boardroom and leadership positions. Their views carry significant weight in the Board or Board Committees’ deliberations.</p> <p>Based on the outcome of Board Effective Evaluation for FY2022, all five INEDs had satisfied the independence criteria as defined under paragraph 1.01 of the MMLR of Bursa Malaysia.</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 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.

Application	:	Departure												
Explanation on application of the practice	:													
Explanation for departure	:	<p>The tenure of each independent director of Malakoff as at 31 December 2022 is listed below:</p> <table border="1"><thead><tr><th>Name of Directors</th><th>Tenure (Approximate)</th></tr></thead><tbody><tr><td>Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali (Chairman)</td><td>1 year</td></tr><tr><td>Datuk Dr. Syed Muhamad Syed Abdul Kadir</td><td>10 years</td></tr><tr><td>Datuk Idris Abdullah</td><td>10 years</td></tr><tr><td>Datuk Rozimi Remeli</td><td>6 years</td></tr><tr><td>Dr. Norida Abdul Rahman (appointed on 1 August 2022)</td><td>5 months</td></tr></tbody></table> <p>Based on the clarification provided under MCCG 2021, two (2) INEDs of Malakoff namely Datuk Dr. Syed Muhamad Syed Abdul Kadir and Datuk Idris Abdullah have served the Board as INEDs for more than nine (9) years. They do not intend to seek for re-appointment as independent directors of Malakoff at the forthcoming AGM and will retire as directors upon the conclusion of the 17th AGM of the Company.</p> <p>Both Datuk Dr. Syed Muhamad and Datuk Idris were re-elected as directors of the Company during their retirement by rotation at the 16th AGM held on 28 April 2022.</p>	Name of Directors	Tenure (Approximate)	Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali (Chairman)	1 year	Datuk Dr. Syed Muhamad Syed Abdul Kadir	10 years	Datuk Idris Abdullah	10 years	Datuk Rozimi Remeli	6 years	Dr. Norida Abdul Rahman (appointed on 1 August 2022)	5 months
Name of Directors	Tenure (Approximate)													
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali (Chairman)	1 year													
Datuk Dr. Syed Muhamad Syed Abdul Kadir	10 years													
Datuk Idris Abdullah	10 years													
Datuk Rozimi Remeli	6 years													
Dr. Norida Abdul Rahman (appointed on 1 August 2022)	5 months													

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

Measure	:	<p>The two long-serving INEDs will retire as Directors of Malakoff upon the conclusion of the 17th AGM of the Company.</p> <p>Malakoff had appointed an additional INED on Board on 1 March 2023.</p>	
Timeframe	:	Others	As explained above.

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application :	Applied																									
Explanation on application of the practice :	<p>Diversity on the Board is essential in achieving the Board's strategic objectives and ensuring a balanced development. The appointment of directors is evaluated against objective criteria with due consideration given to the benefits of diversity on the Board and in the workforce.</p> <p>These divergences allow for difference in opinion and perspectives and offer all options to be deliberated before decisions are made. These distinctions are considered when deciding on the Board composition.</p> <p>The criteria, process, and requirements to be followed by the BNRC and the Board in carrying out their responsibilities in terms of nomination, assessment, and re-election of board members and senior management are outlined in the terms of reference ("TOR") of BNRC.</p> <p>In addition, the Company adopted a Board Diversity Policy, which outlines the approach to diversity on the Board including gender, age and ethnic diversity. The following skills matrix describes the Board's combination as at 31 December 2022 as well as other aspects under (b) to (d) for the Board and management team:</p> <p>(a) Skills and Experience</p> <table border="1"><thead><tr><th>Areas of knowledge</th><th>No. of Directors</th></tr></thead><tbody><tr><td>Accounting</td><td>3</td></tr><tr><td>Business Administration/ Economics</td><td>2</td></tr><tr><td>Legal</td><td>2</td></tr><tr><td>Energy/Technical</td><td>2</td></tr></tbody></table> <p>(b) Race/ Ethnicity</p> <table border="1"><thead><tr><th></th><th>Malay</th><th>Chinese</th><th>Indian</th><th>Others</th></tr></thead><tbody><tr><td>Directors</td><td>7</td><td>1</td><td>0</td><td>1</td></tr><tr><td>Management</td><td>12</td><td>1</td><td>2</td><td>1</td></tr></tbody></table>	Areas of knowledge	No. of Directors	Accounting	3	Business Administration/ Economics	2	Legal	2	Energy/Technical	2		Malay	Chinese	Indian	Others	Directors	7	1	0	1	Management	12	1	2	1
Areas of knowledge	No. of Directors																									
Accounting	3																									
Business Administration/ Economics	2																									
Legal	2																									
Energy/Technical	2																									
	Malay	Chinese	Indian	Others																						
Directors	7	1	0	1																						
Management	12	1	2	1																						

	(c) Nationality and Gender				
		Nationality		Gender	
		Malaysian	Foreigner	Male	Female
	Directors	9	0	8	1
	Management	15	1	14	2
	(d) Age				
		35–44 years	45–54 years	55–59 years	>60 years
	Directors	0	1	1	7
	Management	2	11	2	1
	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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The BNRC is delegated with the power to recommend candidate(s) for appointment on the Board and senior management.</p> <p>Appointment of Directors and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p>The criteria for selection of Directors and Senior Management have been established and outlined in the TOR of the BNRC as summarised below:</p> <ul style="list-style-type: none">(i) skills, knowledge, expertise and experience;(ii) contribution and performance;(iii) character, professionalism and integrity;(iv) number of directorships and other external obligations which may affect the Director's commitment, including time commitment and value contribution; and(v) in the case of candidates for the position of independent director, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from independent directors. <p>Details of the above is available on the Company's website at https://www.malakoff.com.my/corporate-governance.</p> <p>Prior to the selection, the prospective Director is required to make a fit and proper declaration under the Company's Fit and Proper Policy and disclose any business interest that may result in a conflict of interest.</p> <p>In identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing directors, management or major shareholders. The Board welcomes the recommendation of suitable candidate by any external parties and the consultation with independent sources to identify suitable qualified candidates as and when the need arises.</p>

	If the selection of candidates is based on recommendations made by existing directors, management or major shareholders, the BNRC will assess and provide justification on the basis of the recommendation.	
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 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.

Application	:	Applied
Explanation on application of the practice	:	The Board ensures shareholders are provided with the information they require to make an informed decision on the appointment and re-appointment of director(s). 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 Malakoff Group as a whole. A description on the general meetings is provided in the Corporate Governance (“CG”) Overview Statement under “Conduct of General Meetings” section. Appointment or re-appointment of director(s) is also explained in the Company’s Integrated 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

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.

Application	:	Applied	
Explanation on application of the practice	:	The BNRC is chaired by an INED, Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali. Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali was appointed as an INED of the Company on 1 January 2022 and became the member of BNRC on the same date.	
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 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board had for financial year 2022 appointed one woman director, Dr. Norida Abdul Rahman, who is an INED of the Company. The Board will continue with its efforts to source for suitable additional woman director on Board.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board remains committed to actively working towards having additional women on Board, depending on the availability of qualified candidate that can complement the Board's skill requirements.	
Timeframe	:	Others	As and when the right candidate who is able to complement the current board composition and mix is identified.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had adopted a Diversity Policy which outlines the approach in achieving and maintaining diversity (including gender diversity) on the Board. The Board reviews its diversity policy as and when needed based on changing environment. The Board Diversity Policy can be downloaded from the Company's website.</p> <p>Whilst the Board recognises that MCCG 2021 had recommended for listed issuers to have at least 30% women directors, any appointment of director on the Board is only made after objective and thorough assessment by the BNRC of the candidate's skills and experience to the position as well as the Company's requirement at that point of time.</p> <p>As for Senior Management, the Company continues to withhold its principle for equal employment opportunity of which the positions are to be filled by the most suitable candidates on the basis of qualifications, relevant experience, performance potentials and any other attributes required for the position.</p> <p>The statistic on diversity of the Board and management team (including gender diversity) is provided in this CG Report and CG Overview Statement of the Company's Integrated Annual Report 2022.</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

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>	
Application	: Applied
Explanation on application of the practice	: <p>Since the last Board evaluation conducted by the external independent expert in 2017, the Company had on 21 October 2022 engaged Tricor Axcelasia Sdn Bhd (“Tricor”) to carry out an annual performance evaluation for the Board, Board Committees and individual directors for the period of 1 January 2022 to 31 December 2022. The Board upholds the spirit of MCGG 2021 to have an objective, professional and candid board evaluations to determine the effectiveness of the Board, Board Committees and each individual director.</p> <p>The Board Effectiveness Evaluation (“BEE”) was carried out vide a peer assessment by the Directors premised on the selected qualitative and quantitative criteria. The assessment criteria are benchmarked against good governance practices prescribed by the regulators and best practices. It focuses on six (6) key parameters covering board structure, board accountability, board procedures, board committees, CEO/top management and information & engagement for the assessment of the Board and its Committees.</p> <p>For individual directors, the criteria used includes contribution & performance, calibre & personality, information & engagement and qualification & experience.</p> <p>Following the collation and analysis of replies from the Directors, the consultant conducted a one-to-one interview to seek the Directors’ feedback and validate the questionnaire responses. This engagement session provided a platform to understand the concern and challenges from the Board’s perspective, and sharing of thoughts and better practices for Board functioning.</p> <p>Based on the outcome of BEE, the external expert had performed a gap assessment of Board operating processes and practices with recommendations in response to the identified gap(s), to be implemented in line with strategic and resources plans of the Company. The independent report of the BEE was presented by the</p>

	<p>external expert to the BNRC which had later been tabled for the Board's notation.</p> <p>The key strengths identified for Directors as concluded from the BEE are as follows:</p> <ol style="list-style-type: none"> a. Board members comprising strong variety and diversity of skills, education and specific experience enabling these qualities add value to Malakoff; b. strong communication and "camaraderie" among Board members; c. independence, ability to challenge and ask the right questions; d. character and integrity in dealing with potential conflict of interest solutions; e. commitment to serve the Company with due diligence and integrity; f. confidence to stand up for a point of view; and g. strong Board processes and procedures. 	
<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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration policies and practices reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. These policies and procedures are periodically reviewed by the BNRC.</p> <p>The Nominating and Remuneration Framework continues to guide the approach of assessing performance against targets as well as benchmarking market rates of the CEO and executive director(s), non-executive director(s) ("NED") and the Group's Senior Management.</p> <p>The remuneration package for the executive director and CEO is structured to link rewards with corporate and individual performance. The BNRC is responsible for reviewing and recommending the remuneration package for the executive director and CEO to the Board, whilst the Board has the overall authority to approve the remuneration for these positions.</p> <p>The fees for NEDs are reviewed and determined by the Board on the recommendation of the BNRC. Individual director(s) who has shareholding in the Company will abstain from voting on his/her own fees at the general meetings.</p> <p>The policies and procedures for the determining the remuneration of directors and senior management is accessible on the Company's website at https://www.malakoff.com.my/corporate-governance.</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

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.

Application	:	Applied										
Explanation on application of the practice	:	<p>The Board has remuneration policies and procedures to determine the remuneration of directors and senior management, which take into account the demands, complexities and performance of the company as well as skills and experience required. The policies ensure remuneration level is sufficient to attract, retain and motivate high calibre individuals with the required credentials, skills, talent and experience in the Board and Board Committees.</p> <p>The BNRC comprises majority of INED as listed below:</p> <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali (appointed on 1 January 2022)</td> <td>Independent Non-Executive Chairman</td> </tr> <tr> <td>Tan Sri Che Khalib Mohamad Noh</td> <td>Non-Independent Non-Executive Director</td> </tr> <tr> <td>Datuk Dr. Syed Muhamad Syed Abdul Kadir</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Datuk Idris Abdullah</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The TOR of BNRC is accessible on the Company's website at https://www.malakoff.com.my/corporate-governance.</p>	Name of Director	Designation	Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali (appointed on 1 January 2022)	Independent Non-Executive Chairman	Tan Sri Che Khalib Mohamad Noh	Non-Independent Non-Executive Director	Datuk Dr. Syed Muhamad Syed Abdul Kadir	Independent Non-Executive Director	Datuk Idris Abdullah	Independent Non-Executive Director
Name of Director	Designation											
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali (appointed on 1 January 2022)	Independent Non-Executive Chairman											
Tan Sri Che Khalib Mohamad Noh	Non-Independent Non-Executive Director											
Datuk Dr. Syed Muhamad Syed Abdul Kadir	Independent Non-Executive Director											
Datuk Idris Abdullah	Independent Non-Executive Director											
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

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.

Application	:	Applied
Explanation on application of the practice	:	Details of remuneration of the Company's Directors for financial year ended 31 December 2022 are disclosed in the CG Overview Statement of the Integrated Annual Report 2022.

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.

Application	:	Applied – the company discloses the remuneration of members senior management who are not members of the board													
Explanation on application of the practice	:	Total remuneration of top five senior management personnel of Malakoff for the financial year ended 31 December 2022 are provided below, with the remuneration of the MD/CEO disclosed in the CG Overview Statement:													
		<table border="1"> <thead> <tr> <th>Total Remuneration in bands of RM50,000</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>RM800,001 – RM850,000</td> <td>Mohammed Azmil Ismail</td> </tr> <tr> <td>RM850,001 – RM900,000</td> <td>Mohd Nazersham Mansor</td> </tr> <tr> <td>RM900,001 – RM950,000</td> <td>Yap Leng Khim</td> </tr> <tr> <td>RM950,001 – RM1,000,000</td> <td>-</td> </tr> <tr> <td>RM1,000,001 and above</td> <td>Clive Anthony Smith</td> </tr> </tbody> </table>		Total Remuneration in bands of RM50,000	Name	RM800,001 – RM850,000	Mohammed Azmil Ismail	RM850,001 – RM900,000	Mohd Nazersham Mansor	RM900,001 – RM950,000	Yap Leng Khim	RM950,001 – RM1,000,000	-	RM1,000,001 and above	Clive Anthony Smith
Total Remuneration in bands of RM50,000	Name														
RM800,001 – RM850,000	Mohammed Azmil Ismail														
RM850,001 – RM900,000	Mohd Nazersham Mansor														
RM900,001 – RM950,000	Yap Leng Khim														
RM950,001 – RM1,000,000	-														
RM1,000,001 and above	Clive Anthony Smith														
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 8.3 - 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 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Datuk Dr. Syed Muhamad Syed Abdul Kadir is an INED and the Chairman of BAC of the Company. He is not the Chairman of the Company.</p> <p>Datuk Dr. Syed Muhamad Syed Abdul Kadir has vast experience and exposure in various industries who has led the BAC in effective discussion and deliberations on all audit related matters. The full profile of Datuk Dr. Syed Muhamad Syed Abdul Kadir is provided in the Integrated Annual Report 2022.</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 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.

Application	:	Applied	
Explanation on application of the practice	:	The recommendation of Practice 9.2 of MCCG 2021 on the appointment of a former audit partner as BAC member had been adopted by the Board. The TOR of BAC was updated to reflect the change of "cooling-off period" from two (2) years to three (3) years before a former audit partner to be appointed as the BAC member. As at to-date, none of the BAC member is a former audit partner of the Company.	
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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The External Auditors ("EA") are assessed on its suitability, expertise, experience, network and reputation regularly. An assessment on the independence and capabilities of the EA as well as the effectiveness of the audit process are jointly carried out by the BAC and the Group Finance on yearly basis. The EA would be evaluated based on the quality of work, professionalism of the engagement team, audit fees, technicality and accuracy of information provided. Performance evaluation questionnaire is used as a tool to obtain feedback from the BAC regarding the performance of the EA.</p> <p>For FY2022, the BAC had met the EA two times at BAC meetings held in February and November 2022 without the presence of Management to ensure free and open discussion and exchange of views on matters related to their findings during the audit period.</p> <p>A written assurance from the EA was obtained to confirm that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>In addition, the Company had established a policy on non-audit services provided by EA to maintain and safeguard the independence of the EA and ensure that the judgement of the EA is not impaired.</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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The BAC members are financially literate and have sufficient understanding of the Company's business. Each of the BAC members possesses the skill sets/criteria as prescribed in Practice 9.5 of MCCG 2021 as follows:</p> <ul style="list-style-type: none">a. has the ability to apply critical and probing view on the Company's financial process, transactions and other financial information;b. continuously challenges management's assertions on the Company's financials;c. has a level of vigilance and scepticism towards, among others, detection of any financial anomalies or irregularities in the financial statements;d. has the ability to assess the effectiveness of the audit process and the Company's finance functions in generating reliable and timely financial information; ande. has the ability to question about the Company's operations against internal controls and risk factors. <p>The BAC continuously seeks ways to further enhance its ability to discharge its duties as an effective BAC of the Company by participating in training courses to expand their knowledge and to keep abreast with the latest regulatory requirements.</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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company implements risk management in its day-to-day business operations i.e. strategic, operational, HSSE, project and other activities.</p> <p>In ensuring a systematic management of various risks, the Company has established an Enterprise Risk Management Policy and Framework (“ERMPF”) in accordance with the ISO 31000:2018 Guidelines. The ERMPF is regularly reviewed to ensure continuous improvement in the Company management of various risks. The latest ERMPF revision was deliberated and approved by the BRIC and the Board on 14 August 2020 and 18 August 2020 respectively.</p> <p>The ERM process covers the following areas:</p> <ol style="list-style-type: none"> i. Communication and consultation; ii. Scope, context and criteria; iii. Risk assessment; and iv. Risk analysis. <p>Upon assessment and analysis on these risks, the result shall be deliberated by the Management Risk Committee (“MRC”) to formulate strategies to manage these risks before presenting the recommended action plans to the BRIC for review/approval.</p> <p>BRIC shall continuously oversee, govern, assess and monitor key business risk to safeguard the interest of the Company’s stakeholders.</p> <p>The Company shall, at planned intervals, conduct relevant risk management trainings to ensure that the Company’s employees are continuously aware on the risks affecting their daily operations.</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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The BRIC reports to the Board on a quarterly basis to disclose and discuss the Group’s key risk areas on strategy, finance, operations, reputation, cybersecurity and fraud. The Board evaluates these risks including the controls in place to mitigate them.</p> <p>The Company executes risk management in its day-to-day business operations within the defined policies and framework, covering key risk areas in respect of strategic, operational, HSSE, project and other activities. The Company has in place ERMPF to guide the risk management team through monitoring and managing the business risks and other risks.</p> <p>Matters discussed and deliberations on all identified risks are recorded in the minutes of meeting of BRIC. Action items in respect of risk management as discussed would be carried out by management team.</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

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.

Application	:	Adopted															
Explanation on adoption of the practice	:	<p>The BRIC of the Company comprises four (4) members, majority of whom are independent directors. The members of the BRIC are as follows:</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>1</td><td>Datuk Idris Abdullah (Chairman)</td><td>Independent Non-Executive Director</td></tr><tr><td>2</td><td>Datuk Dr. Syed Muhamad Syed Abdul Kadir</td><td>Independent Non-Executive Director</td></tr><tr><td>3</td><td>Datuk Rozimi Remeli</td><td>Independent Non-Executive Director</td></tr><tr><td>4</td><td>Dato' Mohd Naim Daruwish</td><td>Non-Independent Non-Executive Director</td></tr></tbody></table>	No.	Name	Designation	1	Datuk Idris Abdullah (Chairman)	Independent Non-Executive Director	2	Datuk Dr. Syed Muhamad Syed Abdul Kadir	Independent Non-Executive Director	3	Datuk Rozimi Remeli	Independent Non-Executive Director	4	Dato' Mohd Naim Daruwish	Non-Independent Non-Executive Director
No.	Name	Designation															
1	Datuk Idris Abdullah (Chairman)	Independent Non-Executive Director															
2	Datuk Dr. Syed Muhamad Syed Abdul Kadir	Independent Non-Executive Director															
3	Datuk Rozimi Remeli	Independent Non-Executive Director															
4	Dato' Mohd Naim Daruwish	Non-Independent Non-Executive Director															

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit Charter ("IA Charter") approved by the BAC establishes the framework for the effective and efficient functioning of Group Internal Audit ("GIA").</p> <p>The Charter is a formal document that outlines GIA's purpose, function, authority, roles and responsibility, independence, objectivity and establishes GIA's position within the organisation as well as GIA's independent status within the Group.</p> <p>In addition, the objectivity and independent status of GIA to ensure that the internal audit function is able to function independently are also accomplished through the following:</p> <ul style="list-style-type: none"> a) GIA reports directly and functionally to the BAC and administratively to the MD/CEO; b) approval for the appointment and removal of the Chief Internal Auditor by the BAC; c) approval of GIA's organisation structure, IA Charter, annual budget and Annual Internal Audit Plan by the BAC; d) GIA is independent of the functions and activities that it audits; and e) private sessions between the BAC and Chief Internal Auditor to ensure no restriction on GIA's scope of work and to discuss any matters that GIA wishes to escalate to the BAC.
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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>GIA has an independent status within the Group and is independent of the functions and activities that it audits. The internal audit personnel are also free from any relationship or conflict of interest, which could impair their objectivity and independence.</p> <p>As at 31 December 2022, the total number of personnel in GIA was eleven (11) including the Chief Internal Auditor.</p> <p>The name, qualification and work experience of the Chief Internal Auditor are disclosed under the Company's Executive Leadership's profile in the Integrated Annual Report 2022.</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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company communicates with its stakeholders via a few channels such as corporate website, social media, mailing list and virtual/physical meetings.</p> <p>The corporate website provides information on the Company's business, policies, media releases, investor presentations, quarterly and annual financial statements, announcements, share and financial information, annual reports and circulars/statements, sustainability statement, suppliers' auction process, to shareholders and investors relation at large. Various communication channels are available on the Company's website for the public at large to reach out to the relevant departments.</p> <p>The Company also engages with its stakeholders via social media with update on the Company's key developments from time to time.</p> <p>Apart from the above, the Company holds quarterly results briefing to sell-side analysts alongside the fund managers or any investors to ensure that the investment community will be able to engage with the management directly and be kept abreast on the company's latest developments.</p> <p>As the country has transitioned out from the pandemic measures, the Company has organised physical engagement sessions with its key stakeholders such as the employees, investment community and vendors/partners through townhalls and one-on-one engagement sessions.</p> <p>The Board encourages other mediums of communication between the Company and its shareholders or investors as listed below:</p> <ul style="list-style-type: none">i. full disclosure on the Group's major developments in a timely manner pursuant to MMLR of Bursa Malaysia;ii. all information of the Group's activities or press releases are made available on the Company's website;iii. all announcements released to Bursa Malaysia are uploaded onto the Company's website; and

	<p>iv. physical forums for interactive exchange between the Company's Senior Management and investors at meetings, briefings and site visits.</p> <p>The Company is committed to being transparent to all its stakeholders. Hence, the Company would publish the annual report with comprehensive information on the financial results, operational performance, sustainability reporting and other activities undertaken by the Group during the year. Besides that, the annual report acts as a communication channel between the Group and its stakeholders.</p> <p>The Board values and recognises the importance of shareholders' participation in general meetings as it would provide constructive feedback for the betterment of the Company. AGM serves as the principal forum for dialogue and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutional, at general meetings is encouraged.</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 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.

Application	:	Applied
Explanation on application of the practice	:	Malakoff has embarked on the publication of its inaugural Integrated Annual Report 2021 which has been prepared in accordance with the latest Global Reporting Initiative ("GRI") Standards, the International Integrated Reporting Framework, Bursa Malaysia FTSE4Good Index and Bursa Malaysia Sustainability Reporting Guidelines. Malakoff continues to publish its annual report based on integrated reporting best practices in the ensuing year. The Company through the integrated annual reports aspires to promote greater transparency in terms of both financial and non-financial information disclosure to enhance the quality of the 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

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>Practice 13.1 of MCCG 2021 recommends companies to provide at least 28 days' notice period for AGMs to enable shareholders sufficient time to make an informed voting decisions at general meetings.</p> <p>Malakoff adopted the above good practice at the last AGM held on 28 April 2022. The same practice is observed for its forthcoming 17th AGM to be held on 11 May 2023.</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 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges its role and responsibility as steward of the Company to continuously engage and provide constructive feedbacks to all shareholders' queries. General meetings are held as a platform for shareholders to communicate effectively with the Board.</p> <p>All general meetings are scheduled in advance with a notice period of 28 days to encourage full attendance of the Board. All Directors were present at the 16th AGM of the Company held on 28 April 2022. The Board is duly informed that the date of the forthcoming 17th AGM of the Company scheduled on 11 May 2023.</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 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company conducted its fully virtual 16th AGM on 28 April 2022 by leveraging on the Remote Participation and Voting (“RPV”) facilities offered by its poll administrator. The RPV facilities enabled remote shareholders' participation and online remote voting by leveraging on technology as recommended by the Companies Act 2016.</p> <p>(a) Remote shareholders' participation at the 16th AGM</p> <p>All shareholders were informed in advance of the use of RPV facilities for the Company's 16th AGM and the steps to download the applicable application for such purpose.</p> <p>The online registration for remote participation by the shareholders/proxies/corporate representatives at Boardroom Smart Investor Portal was opened on 29 March 2022 up to 26 April 2022.</p> <p>The shareholders/proxies were notified of their successful registration for the 16th AGM via email after the verification of shareholders' identity against the General Meeting Record of Depositors as at 21 April 2022 upon which they had participated in the AGM.</p> <p>(b) Voting in absentia</p> <p>Shareholders/proxies who attended the Company's fully virtual 16th AGM had voted remotely using the RPV facilities.</p> <p>Management had sought the poll administrator's assurance on the security, confidentiality, integrity and availability of LumiAGM application.</p> <p>The poll administrator had given assurance that LumiAGM systems and suppliers' services are certified with ISO/IEC 27001:2013 international standard. This certification provides a robust, auditable and externally verified framework of controls designed to maintain the confidentiality, integrity and availability of customer information and the personal data Lumi processes on their behalf. Lumi uses strong,</p>

	<p>industry best-practice encryption techniques to ensure customer data is protected from unauthorised access. The Lumi platform is regularly and extensively penetration tested using independent, accredited third-party experts.</p> <p>The poll administrator had given further assurance that the client data has never been used for Q&A purposes and is not retained beyond the purpose of processing client's proxy forms for the conduct of the general meetings.</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 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>	
Application	: Applied
Explanation on application of the practice	: <p>Malakoff recognises the importance of balancing the expectations of its shareholders and the Group's capabilities in creating value. Hence, it has always looked into providing avenues for effective two-way communication between the Company and its shareholders during the general meetings.</p> <p>During the 16th virtual AGM, the Chairman gave his opening speech with brief introduction of the Company's current development and plans to the shareholders. The MD/CEO of the Company was invited to present the Company's business strategies and future plans with financial insights of the Group.</p> <p>At the 16th virtual AGM, the Chairman encouraged the participation of the shareholders/proxies and responded to questions posed by the shareholders/proxies covering business prospects, financial performance, non-financial or administrative matters. The shareholders/proxies were given sufficient time to initiate and continue with online interaction with the Board via the RPV facilities. The Chairman and the Board with the support of the Senior Management addressed the shareholders'/proxies' questions/concerns accordingly.</p> <p>All proposed resolutions were tabled for the shareholders' voting after the Chairman had attended to the questions/suggestions from the shareholders.</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 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>	
Application	: Applied
Explanation on application of the practice	: <p>The 16th AGM of the Company was held as a fully virtual meeting on 28 April 2022 with the support of a reputable poll administrator deploying a robust online participation and voting system/platform. This is to ensure well managed of the virtual AGM for the Company in an orderly manner.</p> <p>The broadcast venue was at the Company's office that enabled the information technology ("IT") team giving full support to the Remote Participation and Voting ("RPV") Facilities brought by the poll administrator. The poll administrator's technical team worked closely with the Company's IT team on the back-up system or facility to avoid interruption to the meeting proceedings. The shareholders/proxies are also ensured that they are able to participate at the AGM using the RPV webcast.</p> <p>For effective engagement with the shareholders/proxies, the relevant Senior Management was invited to be present at the broadcast venue together with the Chairman and MD/CEO of the Company to provide input to the questions and concerns posed by shareholders and proxies at the AGM.</p> <p>For repetitive questions posed by shareholders and proxies, the Chairman and the Management had summarised and answered them collectively as one question. The summary replies saved time and perceived as an effective way in dealing with the questions. Questions posed by shareholders and proxies were made visible to all meeting participants during the meeting.</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

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>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of 16 th AGM of the Company were uploaded on the Company's website on 26 May 2022 following the conclusion of the 16 th AGM on 28 April 2022.
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	:	

**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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