

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5264
COMPANY NAME : Malakoff Corporation Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of 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.

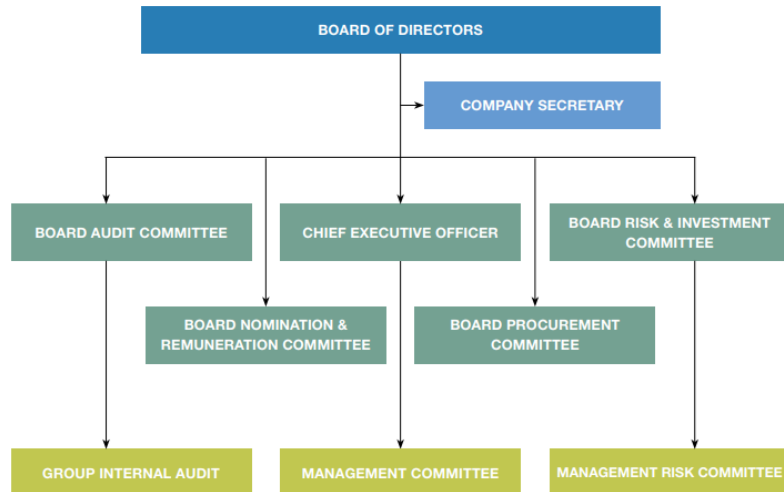
Intended Outcome

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 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

	<p>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. The Board last reviewed the Board Charter in November 2017.</p> <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. The LOA had been reviewed a few times and the last update was in November 2018.</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

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 was pleased with performance of the Chairman, Datuk Haji Hasni Harun, for financial year 2021 (“FY2021”). The Chairman successfully led the implementation of good corporate governance practises and promoted the highest standards of integrity throughout the Group at the Board and Management levels.</p> <p>The Chairman also ensured that the Board was thoroughly briefed on matters presented to the Board at Board meetings and that adequate information was received in a timely manner to allow the Board to make informed decisions.</p> <p>The Chairman of the Board collaborated closely with the BNRC to ensure that the Board’s structure was optimal, including a good mix of skills, qualifications, 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> <p>Moving forward, Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali is appointed to the Board of the Company as an Independent Non-Executive Chairman effective 1 January 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

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 Chief Executive Officer (“**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>Datuk Haji Hasni Harun served as Chairman during FY2021. The Chairman is in charge of conducting Board and shareholders' meetings, ensuring that 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 (“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.

<p><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></p>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>The Chairman of the Company is not a member of the BAC but a member of BNRC.</p> <p>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.</p> <p>Alternatively, in the event that there is additional Independent Non-Executive Director ("INED") to be appointed on the Board, the Board may review and consider shuffling chairmanship for each committee including BNRC.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure	: The Board may review and consider if there is additional INED to be appointed on the Board.
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>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 have 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 then 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>

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 1.6

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 more efficient 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 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.</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. The Board last reviewed the Board Charter in November 2017.</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 conduct standards which serve as a guide for the parties in defining ethical standards and workplace conduct. This will guide them to exercise sound judgement when carrying out their duties and responsibilities in conducting 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 upholding 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 an avenue for employees and third parties 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>Any disclosure of improper conduct can be made verbally or in writing to the Chairman of the Board Audit Committee ("BAC") through letter or e-mail to whistleblowing@malakoff.com.my. A whistle-blower is assured confidentiality of identity, to the extent reasonably practicable. This includes protecting the whistle-blowers from detrimental action 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 whistle-blower and the alleged wrong-doer when a disclosure of improper conduct is made. The salient terms of the Whistleblowing Policy are made available at the Company's corporate 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

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 when overseeing 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>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 sustainability strategy and performance of the business.</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 4.2

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	:	<p>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.</p> <p>The Group also communicates its sustainability strategies, targets and performance to the investment community through its participation in sustainability indices and questionnaires.</p> <p>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.</p> <p>This plan includes annual disclosures of material sustainability matter in the Company’s Integrated 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	:	

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	:	All ESG matters have been integrated into the Group's business strategies, as determined by the Board and Senior Management. 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.
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 such as emission 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 Strategy & Communication is in charge of overseeing and managing the Company's sustainability matters and reporting. A Management Sustainability Committee will also 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>Each director's tenure is reviewed on an annual basis, as appropriate. The BNRC ensures the Board composition 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>Malakoff is in compliance with independent director's tenure that should not exceed a cumulative term of nine (9) years. The tenure of the respective independent directors of Malakoff as at 31 December 2021 is listed below:</p> <table border="1"><thead><tr><th>Name of Directors</th><th>Tenure (Approximate)</th></tr></thead><tbody><tr><td>Datuk Haji Hasni Harun (resigned on 31 December 2021)</td><td>5</td></tr><tr><td>Datuk Dr. Syed Muhamad Syed Abdul Kadir</td><td>7</td></tr><tr><td>Datuk Idris Abdullah</td><td>7</td></tr><tr><td>Datuk Rozimi Remeli</td><td>5</td></tr></tbody></table> <p>The new Independent Non-Executive Chairman ("INEC"), Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali, was appointed on 1 January 2022.</p>	Name of Directors	Tenure (Approximate)	Datuk Haji Hasni Harun (resigned on 31 December 2021)	5	Datuk Dr. Syed Muhamad Syed Abdul Kadir	7	Datuk Idris Abdullah	7	Datuk Rozimi Remeli	5
Name of Directors	Tenure (Approximate)											
Datuk Haji Hasni Harun (resigned on 31 December 2021)	5											
Datuk Dr. Syed Muhamad Syed Abdul Kadir	7											
Datuk Idris Abdullah	7											
Datuk Rozimi Remeli	5											
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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board comprises eight members, four of whom are INED, including the Chairman as follows:</p> <ul style="list-style-type: none">(i) Datuk Haji Hasni Harun (Chairman) (resigned on 31 December 2021)(ii) Datuk Dr. Syed Muhamad Syed Abdul Kadir(iii) Datuk Idris Abdullah(iv) Datuk Rozimi Remeli <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>The Board concludes that the current number of independent directors provides a fair check and balance in terms of bringing independence of judgement and ensuring board decisions are made objectively in the best interests of the Company.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Based on the outcome of Board Effectiveness Evaluation, all INEDs have satisfied the independence criteria as defined under paragraph 1.01 of the MMLR of Bursa Malaysia and are able to continue exercise objective judgment in the Board's decision making process.

	Nonetheless, the Board acknowledged the practice recommended under the MCCG 2021 for large companies to maintain a Board that is significantly independent and would consider the appointment of suitable candidates based on merit, competence and contribution of the same to further strengthen the Board.	
Timeframe	:	Others : As and when suitable candidates are identified.

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	:	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 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	: Adopted
Explanation on adoption of the practice	: Malakoff has in place a Policy on Independent Directors Tenure that stated a cumulative nine-year limit for independent directors. An INED who has reached the cumulative nine-year limit may, subject to assessment of the BNRC and approval of the Board, be recommended for retention as INED by the shareholders' approval annually, or the INED will be re-designated as Non-Independent Director of the Company.

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 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 11 March 2022 following the resignation of the INEC on 31 December 2021 and the appointment of a new INEC on 1 January 2022 as well as other aspects under (b) to (d) for the Board and Senior Management:</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</td><td>1</td></tr><tr><td>Legal</td><td>2</td></tr></tbody></table>	Areas of knowledge	No. of Directors	Accounting	3	Business Administration	1	Legal	2
Areas of knowledge	No. of Directors									
Accounting	3									
Business Administration	1									
Legal	2									

	Energy/Technical	2		
(b) Race/ Ethnicity				
	Malay	Chinese	Indian	Others
Directors	6	1	0	1
Management	10	1	2	1
(c) Nationality and Gender				
	Nationality		Gender	
	Malaysian	Foreigner	Male	Female
Directors	8	0	8	0
Management	13	1	12	2
(d) Age				
	39 – 49 years	50 – 59 years	>60 years	
Directors	1	1	6	
Management	8	6	0	
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.</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, which is available on the Company's website at https://www.malakoff.com.my/corporate-governance:</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>Prior to the selection, the prospective director is required to disclose any other 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 utilises independent sources to identify suitable qualified candidates as and when the needs arise.</p>

	If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the BNRC would assess and provide an explanation on why these source(s) suffice and other sources were not considered.	
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 shareholder have the information they require to make an informed decision on the appointment and re-appointment 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 the Malakoff Group as a whole. A description on the general meetings is provided in the “communication to shareholders” section. Appointment or re-appointment of director(s) is also explained in detail 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 was chaired by an INED, Datuk Haji Hasni Harun, until his resignation from the Board on 31 December 2021. His replacement, Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali, is also an INED appointed on 1 January 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	:		

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 current Board composition has proven its effectiveness in all deliberations and decisions made at the Board. The Board will consider the appointment of women director(s) as and when the suitable woman candidate is identified.	
<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 at least one woman director on the Board, depending on the availability of qualified candidate and the Board's skill requirements. The Board would expect the appointment of at least one (1) woman director in 2022.	
Timeframe	:	Others	As soon as a suitable woman candidate is identified to complement the current board composition and mix.

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 its 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 appropriateness 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 strives for equal employment opportunity of which the positions are to be filled with the most suitable candidates on the basis of qualifications, relevant experience, performance potentials and any other attributes required of the job.</p> <p>A statistic on diversity of the Board and Senior Management (including gender diversity) is provided in the Corporate Governance Overview Statement of the Company's Integrated Annual Report 2021.</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 evaluations.

<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>The Company engaged external independent experts to conduct the Board assessment for financial years 2015-2017. Thereafter, a yearly Board assessment has been carried out internally up to 2021. The Board assessment via circulation of questionnaires is divided into self and peer assessment on each individual director on the Board and Board committees.</p> <p>The results for the financial year under review demonstrated that the Board and Board Committees met the performance criteria required for an effective and committed Board.</p> <p>The updated Practice 6.1 has stated the engagement of the independent experts at least every 3 years. To continue fulfil this Practice, the Board will consider the conduct of yearly Board assessment by independent experts once in every 3 years after 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

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 appropriately 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 in such a way that it links rewards to both 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 overall responsibility 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 :		
<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 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 takes 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 qualification, 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>Datuk Haji Hasni Harun (resigned on 31 December 2021)</td><td>Independent Non-Executive Chairman</td></tr><tr><td>Dato' 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	Datuk Haji Hasni Harun (resigned on 31 December 2021)	Independent Non-Executive Chairman	Dato' 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											
Datuk Haji Hasni Harun (resigned on 31 December 2021)	Independent Non-Executive Chairman											
Dato' 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	:											

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

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	:	The details of remuneration of the Company's Directors' during the financial year ended 31 December 2021 are provided in the Corporate Governance Overview Statement of the Integrated Annual Report 2021.	
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 8.2

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																
Explanation on application of the practice	:	Total remuneration of top five senior management personnel of Malakoff for the financial year ended 31 December 2021 are provided below in bands of RM50,000:																
		<table border="1"><thead><tr><th>Total Remuneration in bands of RM50,000</th><th>Name</th></tr></thead><tbody><tr><td>RM700,001 – RM750,000</td><td>1. Mohd Nazersham Mansor 2. Vincent Yap Leng Khim 3. Mohammed Azmil Ismail</td></tr><tr><td>RM750,001 – RM800,000</td><td>-</td></tr><tr><td>RM800,001 – RM850,000</td><td>-</td></tr><tr><td>RM850,001 – RM900,000</td><td>Clive Anthony Smith</td></tr><tr><td>RM900,001 – RM950,000</td><td>-</td></tr><tr><td>RM950,001 – RM1,000,000</td><td>-</td></tr><tr><td>RM1,000,001 and above</td><td>Anwar Syahrin Abdul Ajib</td></tr></tbody></table>	Total Remuneration in bands of RM50,000	Name	RM700,001 – RM750,000	1. Mohd Nazersham Mansor 2. Vincent Yap Leng Khim 3. Mohammed Azmil Ismail	RM750,001 – RM800,000	-	RM800,001 – RM850,000	-	RM850,001 – RM900,000	Clive Anthony Smith	RM900,001 – RM950,000	-	RM950,001 – RM1,000,000	-	RM1,000,001 and above	Anwar Syahrin Abdul Ajib
	Total Remuneration in bands of RM50,000	Name																
	RM700,001 – RM750,000	1. Mohd Nazersham Mansor 2. Vincent Yap Leng Khim 3. Mohammed Azmil Ismail																
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	RM800,001 – RM850,000	-																
	RM850,001 – RM900,000	Clive Anthony Smith																
	RM900,001 – RM950,000	-																
	RM950,001 – RM1,000,000	-																
RM1,000,001 and above	Anwar Syahrin Abdul Ajib																	
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	:	The Company continues to disclose the remuneration of the top five senior management personnel on name basis in the remuneration bands of RM50,000 for Corporate Governance Report 2021.

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 of the Company. He has been the Chairman of BAC of the Company since 11 December 2012. He is not the Chairman of the Company.</p> <p>Datuk Dr. Syed Muhamad Syed Abdul Kadir has an extensive education background with vast experience and exposure in various industries. Therefore, he has the capability to lead the BAC in discussion and deliberations on audit related matters. The full profile of Datuk Dr. Syed Muhamad Syed Abdul Kadir is provided in the Integrated Annual Report 2021.</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 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	:	<p>Practice on the appointment of a former audit partner as BAC member pursuant to recommendation of Practice 9.2 of the MCCG 2021 had been adopted by the Board. The TOR of BAC is updated accordingly to reflect the change of "cooling-off period" from two (2) years to three (3) years before a former audit partner will be appointed as the BAC member.</p> <p>As at to-date, none of the BAC member is a former audit partner of the Company. Should there be any prospective former audit partner identified by the Board, the prospect will be required to observe a cooling-off period of at least three (3) years before being appointed a member of the BAC.</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 9.3

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. On a yearly basis, 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. The EA would be evaluated based on the quality of work, professionalism of the engagement team, audit fees, technicality and accuracy of information provided when communication and interacting with the BAC. Performance evaluation questionnaire were used as a tool to obtain feedbacks from the BAC regarding the performance of the EA.</p> <p>For FY2021, the BAC has met the EA two times at BAC meetings held in February and November 2021 without the presence of Management to ensure free and honest 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	:	
<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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	All BAC members are INED except for Datuk Ooi Teik Huat who is the only BAC member fulfils the requirement under Paragraph 15.09(1)(c) of the MMLR of Bursa Malaysia. Unless there is a replacement of an INED with the same qualification, the Board might not adopt this practice for the time being.

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 member 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	:	

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

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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company applies risk management in the day-to-day business operations i.e. strategic, operational, HSSE programme, project and other activities. The Company had revised its Enterprise Risk Management Policy and Framework ("ERMPF") which took effect from 18 August 2020 upon deliberation and approval by the BRIC and the Board on 14 August 2020 and 18 August 2020 respectively.</p> <p>The Company had established an ERMPF in accordance with the ISO 31000:2018 Guidelines. The ERM process covers the following areas:</p> <ul style="list-style-type: none">i. Communication and consultation;ii. Scope, context and criteria;iii. Risk assessment; andiv. Risk analysis. <p>After the assessment and analysis on certain risks had been carried out, the result of the assessment will be presented to the Management Risk Committee ("MRC") to discuss its financial impact and consequences to formulate strategies in managing such risks before presenting the strategies and recommendations to the BRIC for review/approval.</p> <p>BRIC would 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 constantly remind the Company's employees on the risks surrounding them in their daily operations. The Management will also implement necessary control measures to mitigate the risks.</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 10.2

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 programme, 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. Risk Register and action plans to tackle the highlighted risks together with any new major risks as identified will be reported to the BRIC and Board quarterly.</p> <p>Matters discussed and deliberations on all highlighted risks are recorded in the minutes of meeting of BRIC. Action items in respect of risk management as discussed at the BRIC meeting are well noted by the risk management team for appropriate actions to be taken. Proper documentation on the discussion of key risk areas and the disclosure of key risk areas are consistent with the documented risk discussions.</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>Madam Cindy Tan Ler Chin (resigned on 29 April 2021)</td><td>Non-Independent Non-Executive Director</td></tr><tr><td>4</td><td>Datuk Rozimi Remeli</td><td>Independent Non-Executive Director</td></tr><tr><td>5</td><td>Dato' Mohd Naim Daruwish (appointed on 12 July 2021)</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	Madam Cindy Tan Ler Chin (resigned on 29 April 2021)	Non-Independent Non-Executive Director	4	Datuk Rozimi Remeli	Independent Non-Executive Director	5	Dato' Mohd Naim Daruwish (appointed on 12 July 2021)	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	Madam Cindy Tan Ler Chin (resigned on 29 April 2021)	Non-Independent Non-Executive Director																		
4	Datuk Rozimi Remeli	Independent Non-Executive Director																		
5	Dato' Mohd Naim Daruwish (appointed on 12 July 2021)	Non-Independent Non-Executive Director																		

Intended Outcome

Companies have 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. The objectivity and independence status of GIA to ensure that the internal audit personnel are free from any relationship or conflict of interest are accomplished through the following:</p> <ul style="list-style-type: none">a) establishment of the Internal Audit Charter i.e. a formal document approved by the BAC which defines the GIA's purpose, authority, responsibility, independence, objectivity and establishes GIA's position within the organisation as well as GIA's independent status within the Group;b) GIA reports directly and functionally to the BAC and administratively to the MD/CEO;c) approval for the appointment and removal of the Chief Internal Auditor by the BAC;d) approval of GIA's organisation structure, Internal Audit Charter, annual budget and Annual Internal Audit Plan by the BAC;e) GIA is independent of the functions and activities that it audits; andf) 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. <p>As at 31 December 2021, the total number of personnel in GIA was twelve (12) including the Chief Internal Auditor.</p> <p>The name, qualification and work experience of the Chief Internal Auditor are disclosed under the Company's Management Team profile in the Integrated Annual Report 2021.</p>

	The internal audit function of the Company is carried out in accordance with the International Professional Practices Framework (“ IPPF ”) by the Institute of Internal Auditors (“ IIA ”).	
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 the Company's corporate website (https://ir2.chartnexus.com/malakoff/v2/index.php). This is one of the Company's strategies to promote effective engagement with the shareholders or public at large. The website provides information ranging from Company's policies, media releases, investor presentation, quarterly and annual financial statements, announcements, share and financial information, annual reports and circulars/statements, to shareholders and investors relation at large.</p> <p>Other than the forum of general meetings, the Board encourages other mediums of communication between the Company and its shareholders or investors as listed below:</p> <ol 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; andiv. physical forums for interactive exchange between the Company's Senior Management and investors at meetings, briefings and site visits. <p>The Company is committed to being transparent to all its stakeholders. Hence, on a yearly basis, the Company would publish the annual report with comprehensive information on the financial results, sustainability reporting and other activities undertaken by the Group during the year. Besides that, the annual report also 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</p>

	<p>feedback for the betterment of the Company. The Annual General Meeting (“AGM”) provides the principal forum for dialogue and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutional, at general meetings, to seek clarifications on pertinent and relevant information, is encouraged.</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

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.	
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 calls upon companies to provide at least 28 days' notice period for AGMs on the premise of empowering shareholders with sufficient preparation time to make informed voting decisions at general meetings.</p> <p>The Company had continued to observe the good practice to serve at least 28 days' prior notice for its 15th AGM held virtually on 28 April 2021. The same practice is observed for its forthcoming 16th AGM to be held on 28 April 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

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 15th AGM of the Company held on 28 April 2021. The Board is duly informed that the date of the forthcoming 16th AGM of the Company scheduled on 28 April 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

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 15th AGM on 28 April 2021 by leveraging on the Remote Participation and Voting (“RPV”) facilities offered by its poll administrator. The RPV facilities had enabled remote shareholders' participation and online remote voting by leveraging on technology, in accordance with Section 327(1) and (2) of Companies Act 2016.</p> <p>(a) Remote shareholders' participation at the 15th AGM</p> <p>All shareholders were informed in advance of the use of RPV facilities for the Company's 15th 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 was opened from 29 March 2021 up to 26 April 2021 at the Boardroom Smart Investor Portal of which the detailed procedures were also provided in the Administrative Details.</p> <p>The shareholders/proxies were notified of their successful registration for the 15th AGM via email after the verification of shareholders' identity against the General Meeting Record of Depositors as at 21 April 2021. With the successful registration online, the shareholders/proxies could log in to participate in the AGM via the RPV facilities.</p> <p>(b) Voting in absentia</p> <p>Shareholders/proxies who attended the Company's fully virtual 15th AGM had voted remotely using the RPV facilities.</p> <p>In respect of the concern on good cyber hygiene practices to be in place including data privacy and security to prevent cyber</p>

	<p>threats, the poll administrator has made representation to the Company that the security, confidentiality, integrity and availability of LumiAGM application are vital to conducting a successful AGM in Malaysia.</p> <p>Its 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, industry best-practice encryption techniques to ensure customer data is protected from unauthorized access. The Lumi platform is regularly and extensively penetration tested using independent, accredited third-party experts.</p> <p>The poll administrator also states that the client data has never been used for QA purposes and is not retained beyond the purpose of processing client's proxy forms for the conduct of the general meetings.</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

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 15th virtual AGM, the Chairman gave 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 in details the Company's business strategies and future plans with financial insights of the Group.</p> <p>At the 15th 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 at their best endeavours.</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	:

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 13.5

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The 15th AGM of the Company was held as a fully virtual meeting on 28 April 2021. To ensure the conduct of AGM in an orderly manner, the Company had engaged a reputable poll administrator with robust online participation and voting system/platform to manage the virtual AGM for the Company.</p> <p>The broadcast venue was situation at the Company’s office where the information technology (“IT”) team could grant its full support to the Remote Participation and Voting (“RPV”) Facilities brought by the poll administrator. This ensured that the virtual AGM could be held smoothly without technical glitch. The poll administrator’s technical team had also worked with the Company’s IT team on the back-up system or facility to avoid interruption to the meeting proceeding due to unforeseen circumstances. The shareholders/proxies are also ensured to be 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 might not be made visible to all meeting participants during the 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

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	:	Departure
Explanation on application of the practice	:	.
Explanation for departure	:	The 15 th AGM was held on 28 April 2021. The minutes of meeting were uploaded on the Company's website after the same were tabled for the Board's review and confirmation by Chairman of AGM within the reasonable timeframe from the conclusion of the 15 th AGM of the Company.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board and Chairman of AGM remains committed to meet reasonable timeframe for minutes of meetings circulation.
Timeframe	:	Others As soon as possible, review and obtain confirmation in order to meet a reasonable 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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