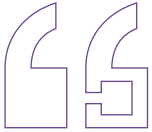


# Corporate Governance Overview Statement



**We strongly believe sound corporate governance practices are crucial for enhancing shareholders' value, instilling business integrity, increasing investors' confidence and to achieve the corporate objectives and vision of Malakoff Corporation Berhad ("Malakoff" or "Company") and its subsidiaries (collectively "Malakoff Group" or "Group")**

The Board of Directors ("**Board**"), Management and employees are dedicated to achieving and maintaining the highest level of corporate governance. We constantly strive to improve the Group's corporate governance practices and processes, and will always uphold our four corporate governance pillars, namely ethical behaviour, accountability, transparency, and sustainability.

The Board is committed to ensuring that the Group's Corporate Governance Framework complies with the requirements and guidelines under Companies Act 2016 ("**Act**"), Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**") and the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"). The Board is pleased to present this Corporate Governance ("**CG**") Overview Statement for the financial year ended 31 December 2021 based on the following principles of MCCG 2021:

Principle	Principle	Principle
<b>A</b>	<b>B</b>	<b>C</b>
<b>Board Leadership &amp; Effectiveness</b>	<b>Effective Audit &amp; Risk Management</b>	<b>Integrity in Corporate Reporting &amp; Meaningful Relationship with Stakeholders</b>

The CG Overview Statement shall be read together with the CG Report 2021, available on the Company's website at <https://www.malakoff.com.my/corporate-governance>.

# Corporate Governance Overview Statement

## Principle

A

### Board Leadership & Effectiveness


#### I. Board Responsibilities and Charter

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 strategies execution and financial performance and is responsible for 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 any 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;
- ▶ develop and implement a shareholders communication policy for the Company;
- ▶ review the adequacy and the integrity of the management information 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, code of conduct and ethics 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. The Board last reviewed the Board Charter in November 2017.

The Limits of Authority ("LOA") is a Group policy that specifies the authority limits for the Board, Board Committees, Management Committee, Managing Director/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.

#### Code of Conduct and Ethics


The Board establishes a code of conduct and ethics for the Group and implements its policies and procedures together with Management which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

 The Code of Conduct of Malakoff is published on the Company's website at <https://www.malakoff.com.my/corporate-governance>.

#### Whistleblowing Policy

The Whistleblowing Policy was established by the Board to provide employees and third parties dealing with the Group with proper avenue and procedure to disclose cases of improper conduct such as criminal offences, fraud, corruption, breach of Group policies and Code of Conduct or other malpractices without fear of reprisal.

In implementing this policy, a whistle-blower is assured confidentiality of identity, to the extent that is reasonably practicable. This includes protecting the whistle-blowers from detrimental actions that may result from the disclosure of improper conduct, provided that the disclosure is made in good faith. The Whistleblowing Policy is also to ensure that fair treatment is provided to both the whistle-blower and the alleged wrongdoer when a disclosure of improper conduct is made.

 Disclosure of any improper conduct can be made verbally or in writing to the Chairman of the BAC via a letter or e-mail to [whistleblowing@malakoff.com.my](mailto:whistleblowing@malakoff.com.my).

#### Roles and Responsibilities between the Chairman and the Managing Director/Chief Executive Officer ("MD/CEO")

The roles and responsibilities of the Chairman and MD/CEO are separated and clearly defined in the Board Charter. The Chairman is in charge of the Board's leadership and is instrumental in creating the necessary conditions for open communication/discussion or information sharing both inside and outside the boardroom. The Chairman promotes and supervises the highest levels of corporate governance within the Board and the Company.

The MD/CEO is in charge of the day-to-day operations of the Company in line with the Board's approved strategies and objectives.

## Corporate Governance Overview Statement

**Board Committees**

Board Committees are formed to oversee specific tasks for which the Board is responsible, within the confines of clearly defined terms of reference (“**TOR**”). This ensures that Board members can spend their time efficiently, while Board Committees are given the authority to investigate specific issues.

The following Board Committees have been established by the Board to date and the relevant TOR of the Board Committees are available at <https://www.malakoff.com.my/corporate-governance>.

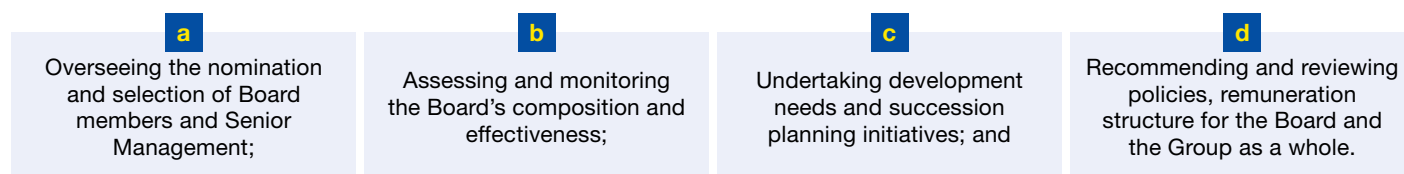
**BAC****Board Audit Committee**

The BAC assists the Board in carrying out its statutory and fiduciary responsibilities relating to the monitoring and management of financial risk processes, accounting practices, system of internal controls, and the Group’s management and financial reporting practices. To accomplish this, the BAC oversees the reports of external and internal auditors, protects the integrity of financial reporting and ensures a sound system of internal controls to protect and enhance the Company’s value.

Details of BAC activities are reported in the BAC Report on pages 121 to 125.

**BNRC****Board Nomination & Remuneration Committee**

The BNRC is responsible for the following activities within its defined TOR:



The BNRC reviews the composition of the Board periodically. The tenure of each director is reviewed by BNRC and annual re-election of director(s) is contingent upon satisfactory evaluation of the director’s performance and contribution to the Board. A more detailed description is provided in the “Remuneration Section” of this CG Overview Statement.

**BRIC****Board Risk & Investment Committee**

The BRIC assists the Board in ensuring the implementation of effective risk management processes to manage the overall risk exposure for the Group. It is also responsible to review and recommend to the Board any major investments, which may include the acquisition and divestment of businesses, companies, land and buildings, bidding for binding tenders and contracts for new power generation, water desalination and waste management services projects, and assessing the key associated risks including funding options and costs as well as the investment returns to the Company/Group.

## Corporate Governance Overview Statement

### Principle

A

#### Board Leadership & Effectiveness

##### BPC

##### Board Procurement Committee

The BPC, functions within its delegated authority and TOR, assists the Board in reviewing the Group's procurement proposals and tenders to ensure that due attention is given in screening through the procurement proposals and the processes/procedures before the award of contract is recommended or approved for the Management's action.

### Company Secretaries

The Board is supported by the Company Secretaries who are competent and qualified under the Act. The Company Secretaries' advice and services are available to the Board at any time and without restriction. The Company Secretaries assist the Board in its leadership role, fiduciary duties and governance stewardship. The Company Secretaries advise the Board on corporate governance related matters, the Board's policies and procedures and ensure the Board complies with the relevant rules and regulatory requirements as well as updates issued by the relevant regulatory authorities from time to time.

### Meeting Attendance

During the financial year under review, the Board met seven times, five of which are scheduled meetings and the other two are on ad hoc basis to consider urgent matters. Details of the Board members' attendance are summarised below:

Directors	Designation	Total Meetings Attended
Datuk Haji Hasni Harun (resigned on 31 December 2021)	Independent Non-Executive Chairman	6/7
Anwar Syahrin Abdul Ajib	Managing Director/ Chief Executive Officer	7/7
Dato' Sri Che Khalib Mohamad Noh	Non-Independent Non-Executive Director	7/7
Datuk Dr. Syed Muhamad Syed Abdul Kadir	Independent Non-Executive Director	7/7
Datuk Ooi Teik Huat	Non-Independent Non-Executive Director	7/7
Datuk Idris Abdullah	Independent Non-Executive Director	7/7
Datuk Rozimi Remeli	Independent Non-Executive Director	7/7
Dato' Mohd Naim Daruwish (appointed on 29 April 2021)	Non-Independent Non-Executive Director	5/5

The Board is committed to meet at least four times a year after the end of each financial quarter where the unaudited quarterly results would be reviewed and approved before being released to Bursa Malaysia. Meeting dates for the whole year are scheduled in advance and the calendar for the Board and Board Committees' meetings is circulated to the Directors before the commencement of each financial year to enable the Directors to plan their schedule in advance.

Every effort is made to ensure timely circulation of notices, agenda and meeting materials to the Board to provide sufficient time for the Directors to prepare for Board meetings and to facilitate effective Board discussion. The minutes of meetings are circulated to the Board for review before the minutes of meeting are confirmed at the next Board meeting.

## Corporate Governance Overview Statement

**Sustainability**

The Board together with the Management are responsible for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets. The Board has considered sustainability matters when exercising its duties including, among others, the development and implementation of the Group's strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters are being driven and managed on a day-to-day basis by the Senior Management.

The Board has established a plan in communicating the Group's sustainability strategies, priorities and targets as well as performance against these targets to its internal and external stakeholders.

🕒 This plan includes annual disclosures of material sustainability matters which is included in page 71 of this Integrated Annual Report.

The Board recognises the importance of sustainability and has taken action to improve its sustainability framework. At this point of time, the improvement plan for the following CG practices is being implemented:

Practice No.	MCCG Practice description	Malakoff Group's Actions
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.	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.  The Board is evaluating its composition and its skills matrix to strengthen board leadership and oversight of sustainability issues.
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.	Malakoff's Corporate Key Performance Indicators include key ESG metrics such as emissions reduction, recycling rate, LTIFR, statutory & regulatory compliance and anti-bribery awareness. 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.

# Corporate Governance Overview Statement

Principle

A

## Board Leadership & Effectiveness

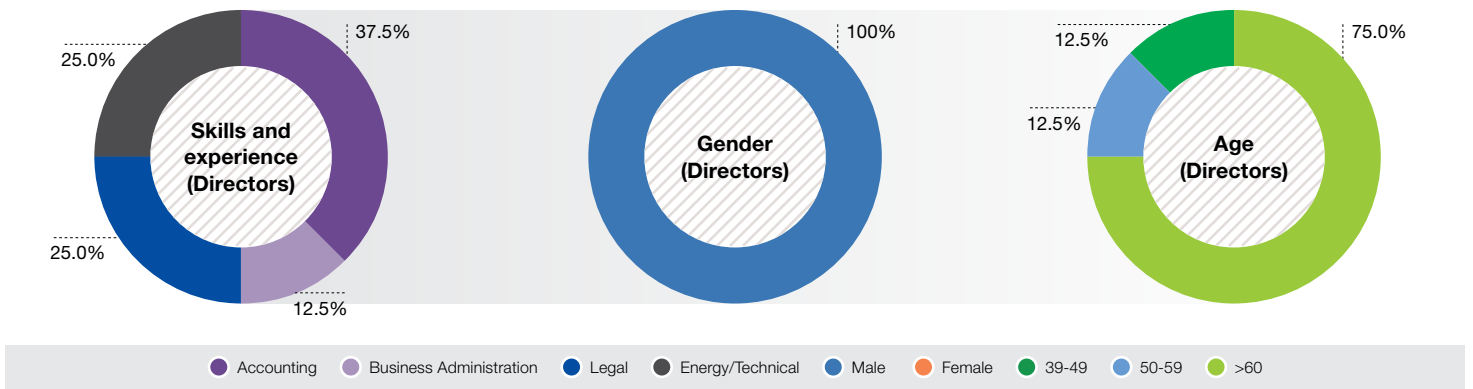
### II. Board Composition

#### Independent Non-Executive Directors

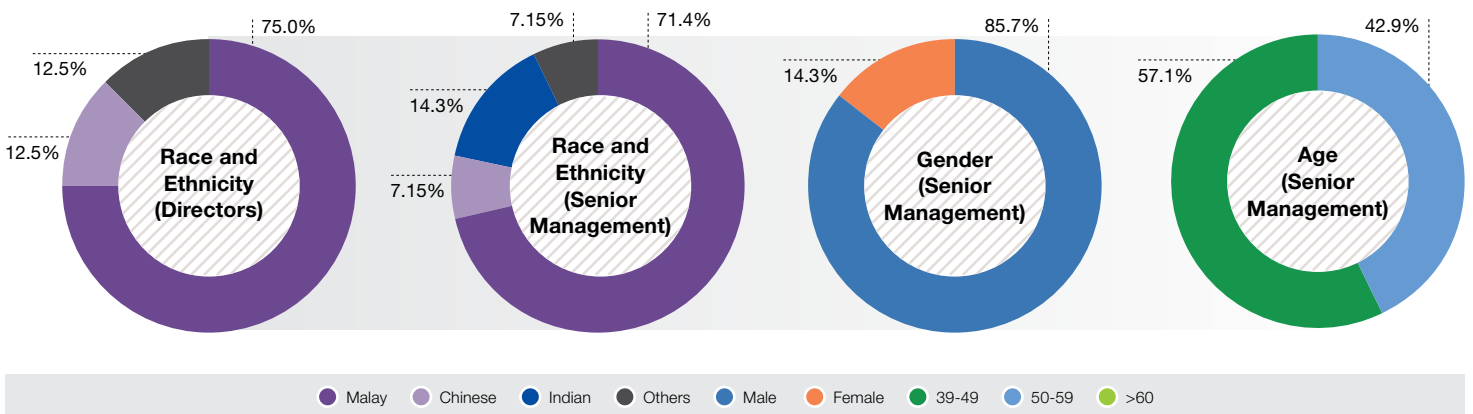
The Board currently comprises eight directors with seven non-executive directors (“NED”) and an executive director who is the MD/CEO of the Company. Four out of the seven NEDs are independent non-executive directors (“INED”) and the remaining three are non-independent non-executive directors (“NINED”). The Board composition includes people from various backgrounds, academic qualifications, experience, knowledge and skills. This enables the Board as a whole to draw on a diverse but balanced group of individuals to provide insights, perspectives and independent judgement in order to lead and steer the Group’s business.

The INEDs made up 50% of the Board composition meeting the MMLR of Bursa Malaysia.

A summary of Board composition by category, age and gender as at 11 March 2022 is provided below:



Summary of race/ethnicity of the Board including Senior Management of the Company is also provided below together with the Senior Management’s gender and age statistic:



## Corporate Governance Overview Statement

**Tenure of Independent Directors (“ID”)**

The Board meets the MCCG’s recommendation that an ID’s tenure does not exceed a cumulative term of nine (9) years since the listing of Malakoff in May 2015. Shareholders’ approval is required to retain an ID who exceeds nine (9) years’ service as ID on the Board. Otherwise, such director may continue to serve on the Board as a non-independent director.

Name of Independent Directors	Years of Service (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

\* The new Independent Non-Executive Chairman, Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali, was appointed on 1 January 2022.

**Boardroom Diversity**

Malakoff recognises that having a board comprising members from various background, experience, age, gender and race would provide a compelling competitive advantage. 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.

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 Director(s) are outlined in the TOR of BNRC. 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 Board discloses in its Board Charter on gender diversity for the Board and gender diversity for Senior Management in this Integrated Annual Report.

🔗 Read about our Board Diversity Policy at <https://www.malakoff.com.my/corporate-governance>.

**Appointment and Re-appointment of Directors**

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. 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.

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 suitably qualified candidates. 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) are sufficient and other sources were not considered.

The Board ensure shareholders have 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 of their capacity to bring an independent judgement to bear on issues before the Board, and to act in the best interests of the Company as a whole. A description on the general meetings is provided in “communication to shareholder” section.

## Corporate Governance Overview Statement

### Principle

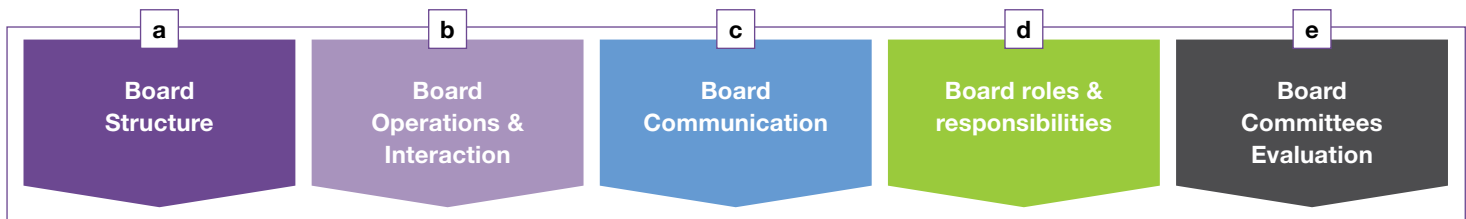
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#### Board Leadership & Effectiveness

##### Annual Evaluation

The Board conducts an evaluation on the effectiveness of the Board, Board Committees and each individual director annually. For the financial year under review, the Board and Directors' Peers Evaluation was conducted internally with the facilitation of Company Secretary through questionnaires.

The Board evaluation focuses on the following five key parameters:



Overall, the evaluation results for the financial year under review demonstrated that the Board met the performance criteria required for an effective and committed Board.

##### Directors' Training

The Board recognises the importance of continuous training for Directors and encourages all Directors to attend appropriate programmes, courses and seminars to stay abreast on the relevant business development and industry outlook. This is done to ensure Directors are equipped with the necessary skills and knowledge to perform their duties and responsibilities. In addition, the Company organises an induction programme and orientation for new Directors.

During the financial year under review, all Directors attended at least one training/seminar/workshop as follows:

Name	Trainings
Datuk Haji Hasni Harun (resigned on 31 December 2021)	<ul style="list-style-type: none"> <li>i. Malaysian Code on Corporate Governance 2021</li> <li>ii. Talk Invitation: The Convergence of ESG &amp; Shariah</li> <li>iii. MIA Conference 2021 - "Navigating a Sustainable Future with Agility and Resilience"</li> </ul>
Anwar Syahrin Abdul Ajib	<ul style="list-style-type: none"> <li>i. Malaysian Code on Corporate Governance 2021</li> <li>ii. Strategy in the Age of Digital Disruption</li> </ul>
Dato' Sri Che Khalib Mohamad Noh	<ul style="list-style-type: none"> <li>i. The Malaysian Code on Corporate Governance – Updated 28 April 2021 "What's New and Their Implications to Listed Company, Its Directors and Management"</li> <li>ii. Briefing Session on the International Professional Practices Framework</li> <li>iii. Pelancaran Kerangka Pelan Transformasi Industri Mineral Negara 2021-2030</li> <li>iv. Sesi Libat Urus Bersama YB Menteri di Jabatan Perdana Menteri (Ekonomi) - Kedudukan dan isu-isu Ekonomi Semasa, Implikasi Pelaksanaan Perintah Kawalan Pergerakan terhadap Sektor Ekonomi serta Cabaran dalam Meningkatkan Pertumbuhan Ekonomi</li> <li>v. Sesi Libat Urus Bersama Pemain Industri Sektor Penerbangan</li> <li>vi. Sesi Libat Urus Majlis Tindakan Ekonomi Negara Bersama Pemain Industri Sektor Penerbangan</li> <li>vii. BMMB Structures Shariah Training: Regulatory Frameworks and Legal Issues for Islamic Financing &amp; Legal Documentation</li> <li>viii. Iskandar Malaysia CEO Roundtable Virtual Series 2021: "Beyond the Pandemic Rising: Rising the Next Economic Wave" – The Rising Expectations of Economic Change</li> <li>ix. EPU Webinar on "Infrastructure Development to Boost Economic Growth Post Covid-19"</li> <li>x. Sesi Libat Urus Bersama Sektor Swasta mengenai Kerjasama Awam Swasta PPP 3.0</li> <li>xi. BMMB Business Continuity Management (BCM) Awareness Training</li> <li>xii. EAC Dialogue: Advancing Sustainability: Preparing the Economy for the Climate Challenge</li> </ul>



## Corporate Governance Overview Statement

Name	Trainings
Datuk Dr. Syed Muhamad Syed Abdul Kadir	<ul style="list-style-type: none"> <li>i. Enterprise Risk Management</li> <li>ii. The Malaysian Code on Corporate Governance – Updated 28 April 2021 “What’s New and Their Implications to Listed Company, Its Directors and Management”</li> <li>iii. Fraud Risk Management Workshop 2021</li> <li>iv. Cyber Drill Exercise</li> <li>v. BNM Engagement Session with CEOs/Chairman of Insurance Companies/Takaful Operators and Insurance/Takaful Associations</li> <li>vi. BNM-FIDE Forum -MASB Dialogue on MFRS 17 Insurance Contracts: What Every Director Must Know</li> <li>vii. Asia Pacific Board Leadership Centre Webinar on Board and Audit Committee Priorities 2021</li> <li>viii. FIDE Forum Interview Session</li> <li>ix. Briefing Session with EXIM Bank BOD on Multi Factor Authentication (“MFA”) &amp; Credit Risk Management System (“CRMS”)</li> <li>x. Invitation as a Penalist – Corporate Board Leadership Symposium 2021 on Board Assessment – Advantage of Internal vs External Facilitation</li> <li>xi. Meeting between BNM, Assistant Governor with CEOs and Chairmans of DFIs on Socialisation of Policy Document on Corporate Strategic Plan</li> <li>xii. Training for all Board of Directors of MARA Corporation Group of Companies on Understanding of Corporate Liability Provision and Adequate Procedure</li> <li>xiii. KPMG Webinar on Transfer Pricing War Stories</li> <li>xiv. FIDE Forum – The Board’s Role &amp; Responsibilities in Crisis Communication</li> <li>xv. Khazanah Megatrends Forum 2021</li> </ul>
Datuk Ooi Teik Huat	<ul style="list-style-type: none"> <li>i. Enterprise Risk Management</li> <li>ii. Navigating Perform Transform: View from the Top</li> <li>iii. Future of Automotive and implications to DRB-HICOM</li> <li>iv. Bank Muamalat Malaysia Berhad – Islamic Banking Seminar</li> <li>v. Ask An Expert Webinar – Board Composition &amp; Dynamics</li> <li>vi. Trends and Considerations for Compensation Matters</li> <li>vii. The Malaysian Code on Corporate Governance – Updated 28 April 2021 “What’s New and Their Implications to Listed Company, Its Directors and Management”</li> <li>viii. Lecture Series on State of the World Post-Covid Economic Brief: Digital disruption in the Banking Sector; and Transformation, Evolution and Innovation in the Automotive Sector</li> <li>ix. Anti-Bribery &amp; Anti-Corruption: Understanding S17A of the Corporate Liability &amp; Establishing Adequate Procedures</li> </ul>
Datuk Idris Abdullah	<ul style="list-style-type: none"> <li>i. Enterprise Risk Management</li> <li>ii. Malaysian Code on Corporate Governance 2021</li> <li>iii. A Boardroom Simulation Live! Corporate Strategy Beyond the Crisis</li> <li>iv. Cybersecurity Oversight in the Boardroom</li> <li>v. Navigating Perform Transform: View from the Top</li> <li>vi. Cloud Computing Basics (Cloud 101)</li> <li>vii. Future of Automotive and Implications to DRB-HICOM</li> <li>viii. Bank Muamalat Malaysia Berhad – Islamic Banking seminar</li> <li>ix. Ask An Expert Webinar – Board Composition &amp; Dynamics</li> <li>x. Trends and Consideration for Compensation Matters</li> </ul>

## Corporate Governance Overview Statement

### Principle

A

#### Board Leadership & Effectiveness

Name	Trainings
Datuk Rozimi Remeli	<ul style="list-style-type: none"> <li>i. How to be an Effective Director in the Disruptive World</li> <li>ii. FCD Module D: Financial Essentials for Directors</li> <li>iii. Corporate Restructuring &amp; Turnaround for Company Directors</li> <li>iv. Audit Committee Conference 2021</li> <li>v. Enterprise Risk Management</li> <li>vi. The Malaysian Code on Corporate Governance – Updated 28 April 2021 “What’s New and Their Implications to Listed Company, Its Directors and Management”</li> <li>vii. Talk Invitation: The Convergence of ESG &amp; Shariah</li> <li>viii. Audit Oversight Board Conversation with Audit Committee</li> </ul>
Dato’ Mohd Naim Daruwish	<ul style="list-style-type: none"> <li>i. Fraud Risk Management Workshop 2021</li> <li>ii. Integrity: A Fundamental Value for Future Organiser</li> <li>iii. Winning the B2B Digital Domain – Knowledge Sharing Session Organiser</li> <li>iv. Next Generation Reinvention of Telecom Operators</li> <li>v. Propelling B2B Digital Services Growth Organiser/ Consultant</li> <li>vi. Organic &amp; Inorganic Transformation</li> </ul>

The newly appointed Independent Non-Executive Chairman of the Company has also attended at least one training programme in 2021.

### III. Board Remuneration

As the Company grows, we believe in paying our Directors appropriately by aligning remuneration and performance with the key strategic drivers for long-term growth. Our remuneration package for Directors aims to attract, retain, and motivate capable directors to successfully manage the Group. The remuneration has been designed to align with industry practices, taking into account the appropriate calibre of each Director whilst upholding of shareholders’ interests.

The Board remuneration will be reviewed by the BNRC before proposing to the Board for consideration. The BNRC is made up of the following NEDs:

Name of Directors	Designation
Datuk Haji Hasni Harun (ceased 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

#### Remuneration Policy

The Board has remuneration policies and procedures to determine the remuneration of directors and senior management, considering 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.

The remuneration policies and practices appropriately reflect the different roles and responsibilities of NEDs, executive directors and Senior Management. These policies and procedures are periodically reviewed by the BNRC.

## Corporate Governance Overview Statement

The remuneration recommendation to the Board for the Company's Directors and Senior Management shall be based on the following considerations:

<p>Levels of remuneration structure are sufficient to attract and retain the individuals needed to run the Company successfully at the Board as well as senior management level.</p>	<p>Links rewards to both the Company and individual performances, responsibilities, expertise and complexity of the Company's activities.</p>	<p>Aligns the interests of directors, senior management and our stakeholders with the business strategy and long-term objectives of our Company.</p>	<p>Information obtained from independent remuneration sources within similar industry.</p>
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## Directors' Remuneration

a

#### Remuneration of the Executive Director(s) and Chief Executive Officer ("CEO")

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 to review and recommend Remuneration Policy and Framework as well as the remuneration package for the Managing Director or CEO to the Board. The Board has overall responsibility to approve the remuneration for these positions.

b

#### Remuneration of the NED

The remuneration package for NEDs reflects the individual's merits, valuable contribution and level of responsibilities. The fees payable to NEDs are reviewed and determined by the Board with the recommendation of the BNRC. Individual director(s) who have shareholding in the Company will abstain from voting on his/her own fees at the general meetings.

c

#### Remuneration of the Group's Senior Management (excluding CEO)

The Company's remuneration policy takes into account the various levels of Senior Management based on job grade structure, roles and responsibilities and levels of accountability. This ensures that remuneration packages are just and fair. All bonuses are determined by the Board on the recommendation of the BNRC after reviewing the individual performance appraisals and achievements.

The details of the aggregate remuneration received by the MD/CEO and NEDs for the financial year ended 31 December 2021 are set out in the table below:

MD/CEO (Executive Director)									
Name of Director	Salary and Defined Contribution* (RM)	Board Committee/ Subsidiary Monthly Allowances (RM)		Meeting Allowances of Board and Board Committees (RM)		Other Allowances/ Emoluments* (RM)	Monetary Value of Benefits-in-Kind ("BIK")* (RM)	Total (RM)	
		Company	Subsidiaries	Company	Subsidiaries			Company	Subsidiaries
Anwar Syahrin Abdul Ajib	1,518,000.00	-	-	-	17,000.00 **	65,000.00	25,436.48	1,608,436.48	17,000.00
Sub-total for ED	1,518,000.00	-	-	-	17,000.00	65,000.00	25,436.48	1,608,436.48	17,000.00

\* Salaries, other emoluments and allowances are paid to the MD/CEO as per his employment remuneration package.

\*\* Meeting allowances for Board meetings payable by the subsidiaries of Malakoff, Malaysian Shoaiba Consortium Sdn Bhd ("MSCSB") and Alam Flora Sdn Bhd ("AFSB") are shared on an equal basis between Malakoff and the MD/CEO.

## Corporate Governance Overview Statement

## Principle

A

## Board Leadership &amp; Effectiveness

NED									
Directors	Directors' fees (RM)	Board Committee/ Subsidiary Monthly Allowances (RM)		Meeting Allowances (RM)		Other Allowances <sup>a</sup> (RM)	Monetary Value of BIK (RM)	Total (RM)	
		Company	Subsidiaries	Company	Subsidiaries			Company	Subsidiaries
Dato' Sri Che Khalib Mohamad Noh <sup>b</sup>	108,000.00	24,000.00	60,000.00 <sup>c</sup>	33,000.00	2,000.00 <sup>c</sup>	25,000.00	-	190,000.00	62,000.00
Datuk Dr. Syed Muhamad Syed Abdul Kadir	108,000.00	96,000.00	-	51,500.00	-	5,000.00	-	260,500.00	-
Datuk Idris Abdullah	108,000.00	90,000.00	60,000.00 <sup>c</sup>	53,500.00	3,500.00 <sup>c</sup>	5,000.00	-	256,500.00	63,500.00
Datuk Ooi Teik Huat	108,000.00	30,000.00	-	47,500.00	-	10,000.00 <sup>d</sup>	-	195,500.00	-
Datuk Rozimi Remeli	108,000.00	54,000.00	-	60,500.00	-	-	-	222,500.00	-
Dato' Mohd Naim Daruwish	72,600.00 <sup>e</sup>	11,290.32 <sup>e</sup>	-	25,500.00	-	6,446.00	-	115,836.32	-
Resigned during FY2021									
Datuk Haji Hasni Harun	360,000.00	36,000.00	-	30,500.00	15,000.00 <sup>f</sup>	25,000.00	41,032.78 <sup>g</sup>	492,532.78	15,000.00
Cindy Tan Ler Chin	35,400.00 <sup>h</sup>	7,866.66 <sup>h</sup>	-	9,500.00	-	-	-	52,766.66	-
Sub-total for NED	1,008,000.00	349,156.98	120,000.00	311,500.00	20,500.00	76,446.00	41,032.78	1,786,135.76	140,500.00

## Notes:

- Other allowances paid by Malakoff to the NEDs comprising annual leave passage and annual supplemental fees.
- Directors' remuneration is shared on an equal basis between MMC Corporation Berhad ("MMC") and the NED who is nominated by MMC.
- Monthly allowances and meeting allowances payable by the subsidiary of Malakoff, AFSB.
- Annual leave passage & supplemental fees claimed for year 2020 and 2021.
- Directors' fees and Board Committee allowances are shared on an equal basis between Employees Provident Fund Board ("EPF") and the NED who is nominated by EPF. With effect from 1 October 2021, the nominee received 100% of the Directors' fees and Board Committee allowances.
- Meeting allowances for Board meetings payable by the subsidiary of Malakoff, MSCSB.
- Benefits-in-kind paid to the Chairman of Malakoff comprising company car and reimbursement of petrol.
- Directors' fees and Board Committee allowances are shared on an equal basis between EPF and the NED who is nominated by EPF.

Total (ED & NEDs)	2,526,000.00	349,156.98	120,000.00	311,500.00	37,500.00	141,446.00	66,469.26	3,394,572.24	157,500.00
Total remuneration at Group level	2,526,000.00	469,156.98		349,000.00		141,446.00	66,469.26	3,552,072.24	

## Corporate Governance Overview Statement

Principle

B

## Effective Audit and Risk Management

## I. BAC

The BAC assists the Board in carrying out its oversight responsibilities by reviewing financial information and providing an unbiased review on the effectiveness and efficiency of the Group's internal controls. To date, none of the BAC members has been a former key audit partner of the Company.

The BAC is made up of four members, out of whom, three members are IDs. The BAC is chaired by an INED who does not hold chairmanship on the Board and other Board Committees. The BAC members possess extensive experience in finance, business administration, legal matters and energy industry who could effectively contribute to business strategy and corporate governance discussions with shrewd business acumen.

Name of BAC Members	Designation
Datuk Dr. Syed Muhamad Syed Abdul Kadir (Chairman)	Independent Non-Executive Director
Datuk Ooi Teik Huat	Non-Independent Non-Executive Director
Datuk Idris Abdullah	Independent Non-Executive Director
Datuk Rozimi Remeli	Independent Non-Executive Director

All BAC members are financially literate and have sufficient understanding of the Group's business. This enables them to continuously apply a critical and probing view on the Group's financial reporting process, transactions and other financial information, and effectively challenge Management's assertions on the Company's financials.

The roles and responsibilities of BAC are:

- 1 assist the Board in fulfilling its statutory and fiduciary responsibilities in examining and monitoring the Company and its subsidiaries' management of business, financial risk processes, accounting and financial reporting practices;
- 2 determine the adequacy and effectiveness of the administrative, operational and internal accounting controls of the Group and to ensure that the Group is operating in accordance with the prescribed procedures, codes of conduct and applicable legal and regulatory requirements;
- 3 serve as an independent and objective party from management in the review of the financial information of the Company and Group presented by management for circulation to shareholders and the general public;
- 4 provide direction and oversight over the internal and external auditors of the Company to ensure their independence from management; and
- 5 evaluate the quality of audits conducted by the internal and external auditors on the Company and Group.

# Corporate Governance Overview Statement

## Principle

B

### Effective Audit and Risk Management

#### Review of External Auditors

The BAC has policies and procedures to assess the suitability, objectivity and independence of the external auditors to safeguard the quality and reliability of audited financial statements.

External audit firms are evaluated based on their experiences, capabilities, audit approach and independence prior to recommending their appointment or re-appointment to the shareholders for approval. The evaluation includes review on auditors' service levels and any significant changes to their scope of work to address new business developments, for recommendation of their re-appointment to the BAC. External auditors are also evaluated on their objectivity and independence, technical competency and ability, understanding of Group's businesses and industries, resources assigned and capability of the engagement team as well as making recommendations in areas in need of improvement, particularly with regard to company's internal control system over financial reporting, are among the areas evaluated.

The BAC considers the information presented in the Annual Transparency Report of the audit firm on matters typically covered therein including the audit firm's governance, leadership structure and measures undertaken by the audit firm to uphold audit quality and manage risks.

Policies are in place for any non-audit services proposal by external auditors to be presented to the BAC to ensure the auditors' independence is maintained.

For more detailed explanation on BAC, please refer to the BAC Report section in this Integrated Annual Report.

#### Internal Audit

The Group Internal Audit ("GIA") supports the Board through the BAC in discharging its duties and governance responsibilities of maintaining a sound internal control system within the organisation. The internal audit function is considered an integral part of the assurance framework and GIA's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. At the same time, GIA also assists the BAC and Management to achieve the Company's goals and objectives by bringing a systematic and disciplined approach in evaluating and improving the effectiveness of governance, risk management and control processes within the Group.

With its independent status within the Group, GIA reports directly and functionally to the BAC and administratively to the MD/CEO. GIA is also independent of the activities and functions that it audits and performs its duties in accordance with the Internal Audit Charter, as approved by the BAC, which establishes the framework for the effective and efficient functioning of GIA. The BAC also reviews and approves the appointment and removal of the Chief Internal Auditor, the Annual Internal Audit Plan, budget and organisation structure of GIA to ensure that it is adequately resourced with competent staff to perform its role and function effectively.

The standards and practices adopted by GIA are aligned to the International Professional Practices Framework issued by the Institute of Internal Auditors. As at 31 December 2021, the total number of personnel in GIA was twelve including the Chief Internal Auditor.

The name, credential and work experience of the Chief Internal Auditor of GIA are disclosed on page 104 of this Integrated Annual Report.

Details of the internal audit function and activities are presented in the BAC Report on pages 124 to 125 of this Integrated Annual Report.

## II. Risk Management and Internal Control

The Board has established BRIC to oversee the Group's overall risk management policy and framework, and assess major investments by the Group. The BRIC consists of four members with three members are INED from diverse background. Each BRIC member has vast management experience, in-dept knowledge of the industry and integrity. The composition of BRIC is as follows:

Name of Directors	Designation
Datuk Idris Abdullah (Chairman)	Independent Non-Executive Director
Madam Cindy Tan Ler Chin (resigned on 29 April 2021)	Non-Independent Non-Executive Director
Datuk Dr. Syed Muhamad Syed Abdul Kadir	Independent Non-Executive Director
Datuk Rozimi Remeli	Independent Non-Executive Director
Dato' Mohd Naim Daruwish (appointed on 12 July 2021)	Non-Independent Non-Executive Director

Further details on the Group's risk management and internal control frameworks are described and explained in the Statement of Risk Management and Internal Control section of this Integrated Annual Report.

## Corporate Governance Overview Statement

Principle

C

**Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders****I. Communication with Stakeholders**

The Group understands the importance of timely and effective communication with stakeholders in order to keep them up to date on the Group's latest financial performance and business matters affecting the Group. The Group communicates with its stakeholders through various means including:

**Corporate website**

provides an essential platform for investors and other stakeholders to access information periodically through the Investor Relations section at [www.malakoff.com.my](http://www.malakoff.com.my).

**Annual/extraordinary general meetings**


offer an opportunity to our shareholders to raise their questions and concerns on the Group's performance directly to our Board and Management.

**One-on-One and Group Meetings/Investor Conferences/Roadshows**

throughout the year, we held meetings with key shareholders, major institutional investors, individual shareholder groups and financial analysts to share and discuss the Group's business performance and its strategic plan.

**Annual Report**

our Annual Report provides a comprehensive report on the Group's financial results, business operations and strategic direction.

 The information published in the Investors Relations section at <https://ir2.chartnexus.com/malakoff/v2/index.php>.

**Investor Relations Activities**

During the year under review, we increased our engagements with the investment community and conducted more than 50 one-to-one and group meetings. During these engagements, the Group would address their concerns, where possible, to deliver sustainable value to its shareholders. In 2021, there were increased engagements with the Company's key shareholders and the ESG investors due to the higher focus on sustainability matters. Additionally, we are actively engaged with other investor relations ("IR") stakeholders such as Bursa Malaysia, Malaysia Investor Relations Association ("MIRA") and other IR service providers to ensure the Group practices the highest standards of transparency and disclosure.

**II. Conduct of General Meetings**

The Board and Management implement several measures to ensure shareholders are able to participate, engage the Board and Senior Management effectively, and make informed voting decisions at general meetings. The Board, with the assistance of the Company Secretary, has provided shareholders with sufficient notice and time to consider the resolutions that will be discussed and decided at the annual general meetings ("AGM") by issuing the notice for AGM at least 28 days before the meeting.

Notice for the 15<sup>th</sup> AGM held on 28 April 2021 was sent to shareholders on 29 March 2021. The notice includes details of the resolutions to be tabled and explanations on the resolutions. Details of the resolutions proposed along with background information and reports or recommendations that are relevant were also provided in the Notice of AGM.

In view of the Covid-19 pandemic and as part of the Company's precautionary measures, the 15<sup>th</sup> AGM was held virtually through live streaming and using Remote Participation and Voting ("RPV") facilities. During the virtual AGM, shareholders were given opportunity to engage with the Board and Senior Management via RPV facilities which had enhanced the quality of engagement with shareholders and facilitate participation by shareholders at the AGM from remote locations. All resolutions were passed by the shareholders via RPV platform.

Minutes of the general meeting were uploaded on the Company's website for shareholders and public access within the reasonable timeframe after the general meetings.

## Corporate Governance Overview Statement

### Key Focus Areas and Future Priorities

The Company will continue to strive for higher corporate governance standards in the future. To accomplish this goal, the Board has identified a few key focus areas and future priorities in corporate governance practices as described below:



On business strategies and plans for the Group, the Company will continue to actively embark on RE and environmental solutions to align with the global move into an ESG oriented environment. Other than the expansion of the Group into the environmental services sector, the Company has also engaged into various solar power generation projects in line with its objective of securing new growth businesses for the Group.

### Statement of Directors' Responsibilities

(Pursuant to paragraph 15.26(a) of the MMLR of Bursa Malaysia)

The Board has given its assurance that the financial statements are prepared in accordance with the Act and the applicable approved accounting standards for each financial year which gives a true and fair view of the state of affairs of the Group and the Company in a transparent manner at the end of the financial year and of the results and cash flows for the financial year.

🕒 The Directors' Report for the audited financial statements of the Company and the Group is outlined on pages 135 to 139 of this Integrated Annual Report together with the details of the Company and the Group financial statements for the financial year ended 31 December 2021 which are set out on pages 135 to 275 of this Integrated Annual Report.

### Compliance Statement by the Board on the Corporate Governance Overview Statement

This statement on the Company's corporate governance practices is made in compliance with paragraphs 15.25 and 15.08A of the MMLR of Bursa Malaysia.

Having reviewed and deliberated this statement, the Board is satisfied that to the best of its knowledge, the Company is substantially in compliance with the principles and practices set out in the MCCG 2021 as well as the relevant paragraphs under the MMLR of Bursa Malaysia for the financial year under review. Any practices in the MCCG 2021 which have not been implemented during the financial year would be reviewed by the Board and be implemented where practical and relevant to the Group's business.

This statement has been presented and approved by the Board at its meeting held on 11 March 2022.