

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5237  
**COMPANY NAME** : MPH B Capital Berhad  
**FINANCIAL YEAR** : December 31, 2022

## OUTLINE:

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

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board recognises the role it plays in charting the strategic direction and managing the business and affairs of the Group, including ensuring compliance with the Group's corporate objectives. It is responsible for the stewardship of the Group's resources towards achieving the following key fundamentals of the Group:-</p> <ul style="list-style-type: none"><li>• Achievement of excellence in its core businesses</li><li>• Creation of optimum value for its shareholders</li><li>• To be a caring and fair employer</li><li>• To be a socially responsible corporate citizen</li><li>• To practise good corporate governance</li></ul> <p>The duties and responsibilities of the Board are clearly outlined in the Board Charter as follows:</p> <p>(a) Reviewing, approving and monitoring the Group's overall strategic and financial plans;</p> <p>(b) Overseeing the Group's business operations and financial performance to ensure that the businesses are being effectively managed;</p> <p>(c) Identifying the Group's principal risks and ensuring the implementation of appropriate internal control system and mitigation measures to manage risks;</p> <p>(d) Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines;</p> <p>(e) Developing and implementing policies and/or programmes for effective communication with shareholders and/or investors.</p>

	<p>(f) Reviewing and considering emerging issues which may be material to the Group's business and affairs and ensuring that the Group has proper succession plan for senior management.</p> <p>(g) Promoting sustainability through appropriate environment, social and governance considerations in the Company's/Group's business strategies.</p> <p>The Board regularly reviews and monitors the Group's business operations and financial performance by keeping track of the Group's financial results against the budget and the preceding quarter's results. The Senior Management updates the Board of the Group's key strategic initiatives, business targets and significant operational issues at the Board Meetings. The Board also deliberates and evaluates the feasibility of business propositions and corporate proposals as well as any principal risks that may have a significant impact on the Group's business.</p> <p>The Board is mindful that it has the responsibility of ensuring that there is an effective and orderly succession planning in place for the Group.</p> <p>The Board is guided by the prevailing legal and regulatory requirements as well as the Company's policies in discharging its fiduciary duties and responsibilities.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Tan Sri Dato' Surin Upatkoon was appointed as the Non-Executive Chairman of the Company in place of Tan Sri Dato' Dr Yahya bin Awang who resigned as Board Chairman/Director on 1 July 2022.</p> <p>The key responsibilities of the Chairman of the Board are set out below:</p> <ul style="list-style-type: none"> <li>(a) ensuring the smooth functioning of the Board and the effective conduct of business by the Board at board meetings;</li> <li>(b) providing leadership to the Board and is responsible for the development needs of the Board members;</li> <li>(c) managing the Board's communications and the Board's effective supervision over the Management;</li> <li>(d) ensuring the orderly conduct of the proceedings of shareholders' meetings;</li> <li>(e) protecting the interest of various stakeholders and providing for their information needs;</li> <li>(f) instilling good corporate governance practices in the Company/Group; and</li> <li>(g) maintaining good contact and effective relationships with shareholders and investors.</li> </ul> <p>The Chairman also ensures that decisions are taken on a sound and well-informed basis, with all strategic and critical issues considered by the Board, and that the Directors receive the relevant information on a timely basis. Under the leadership of the Board Chairman, the Board had carried out its oversight function effectively with all issues discussed in a timely manner at the Board Meetings of the Company.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b> :	Applied	
<b>Explanation on application of the practice</b> :	<p>The roles of Non-Executive Chairman, Executive Director and Chief Executive Officer of the Company are held by different individuals with each of them having separate responsibilities and authority.</p> <p>The position of the Non-Executive Chairman was held by Tan Sri Dato' Dr Yahya bin Awang from 1 August 2021 to 1 July 2022 and by Tan Sri Dato' Surin Upatkoon with effect from 1 July 2022. The Board Chairman provides overall leadership to the Board in decision making and is responsible for the orderly conduct of the Board to ensure that decisions are taken on a sound and well-informed basis.</p> <p>Ms Ivevei Upatkoon, the Executive Director and Ms Kheoh And Yeng the Chief Executive Officer are responsible for the day-to-day running of the Group's business operations and the effective implementation of the Group's business strategies and policies.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

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

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Departure
<b>Explanation on application of the practice</b> :	
<b>Explanation for departure</b> :	<p>During the period from 1 January 2022 to 1 July 2022, the Company was only in compliance with Practice 1.4 in respect of Remuneration Committee ("RC") and Nomination Committee ("NC") but not Audit Committee ("AC") as Tan Sri Yahya who was then Board Chairman was also a member of the AC.</p> <p>The Board had decided to maintain Tan Sri Yahya as a member of the AC at that point in time to ensure that the AC was fully comprised of independent directors. Tan Sri Yahya was fully conscious of his differing roles in the Board and the AC, and all issues tabled and deliberated at the AC involved the participation of two other independent directors (who served to provide effective check and balance) before these issues were submitted/recommended to the Board for decision making.</p> <p>Tan Sri Yahya resigned as the Non-Executive Chairman of the Company on 1 July 2022 and he ceased to be a member of the AC on the same date.</p> <p>Tan Sri Dato' Surin Upatkoon assumed the position of Non-Executive Chairman on 1 July 2022. Following his appointment as Board Chairman, Tan Sri Surin relinquished his positions as a member of the NC and RC on 28 July 2022.</p> <p>Hence, with effect from 28 July 2022, the Board Chairman is not a member of AC, RC and NC.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and she is qualified to act as company secretary under Section 235(2) of the Companies Act, 2016.</p> <p>The Company Secretary supports the Board in fulfilling its leadership role and fiduciary duties in shaping the corporate governance practices of the Group. All Directors have access to the advice and services of the Company Secretary. The Company Secretary organises and attends all the Board, Board Committees and Shareholders' Meetings of the Company. The Company Secretary is responsible to ensure that these meetings are properly convened and that accurate and proper records of the proceedings are maintained at the Registered Office of the Company.</p> <p>The Company Secretary facilitates timely communication of decisions made and policies set by the Board to the Management for action to be taken. The Board is regularly updated by the Company Secretary on the new statutory/regulatory requirements required to be observed by the Directors and/or the Company. The Company Secretary also serves notice to the Directors and principal officers to notify them of the closed periods for dealing in the Company's shares pursuant to provisions of the Listing Requirements.</p> <p>During the year, the Company Secretary has attended training programs to kept herself abreast of the regulatory changes and corporate governance developments.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.6**

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Prior to each Board meeting, all the Board members are provided with the requisite notice, agenda and Board Papers containing information relevant to the business of the meeting in sufficient time prior to the meetings to enable them to have enough time to peruse, deliberate, obtain additional information and/or seek further clarification. The meeting papers are disseminated electronically to enable Directors to access the meetings' documents and company information in a timely and efficient manner.</p> <p>The minutes of Board meetings are circulated to all the Directors for their perusal and comments prior to next Board meeting. The Directors may request for clarification or raise comments on the minutes before the minutes are tabled for confirmation. Upon receiving confirmation on the correctness of the minutes from the Board Members at the Board meetings, the minutes are signed by the Chairman of the meeting as correct records of the proceedings of the meetings.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Board Charter that sets out the roles and responsibilities, processes and procedures of the Board and the various Board Committees to ensure accountability and to facilitate the effective functions of the Board. The Board Charter is available on the Company’s corporate website at <a href="http://www.mphbcap.com.my">www.mphbcap.com.my</a>.</p> <p>The Board has also adopted a formal Authority Chart which clearly spells out the matters that are reserved specifically for the Board’s approval/decision and on matters that have been delegated to the Senior Management (including the relevant approving authority limits of the Senior Management).</p> <p>The key matters reserved for the Board’s approval include major investments, material acquisitions and disposals of assets, corporate plans and budgets and changes to the management and control structure of the Group.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Director's Code of Business Conduct and Ethics ("Code of Conduct") which sets out the standards of ethical behaviors and business conduct to be observed by the Directors in carrying out their responsibilities and in their business dealings with external parties.</p> <p>The key principles of the Code of Conduct are as follows:</p> <ul style="list-style-type: none"><li>• To avoid any conflict of interest;</li><li>• To avoid any misuse of position for personal advantage /benefit/ preferential treatment in any way;</li><li>• To avoid any misuse of information for personal gains or for any purpose other than intended by the Company;</li><li>• To observe confidentiality of information;</li><li>• To avoid any improper use of the Company's assets;</li><li>• To comply with the applicable laws, rules and regulations.</li></ul> <p>A copy of the Code of Conduct is available on the Company's corporate website.</p> <p>The Directors have the duty to declare to the Board of their interests in any transaction to be entered into directly or indirectly with the Company/Group and they are required to abstain from all deliberations and decision making of the Board in respect thereto.</p> <p>Employees are required to observe the standards of ethical behaviours and the rules of conduct at the workplace as stated in the Employees' Handbook that had been approved by the Board.</p> <p>The Group is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. Any form of corruption, including bribery and extortion, is not tolerated. The Group maintains clear whistleblowing channels to ensure concerns in relation to the misconduct or unethical practices including bribery and corruption related to the Group, whether directly or indirectly, can be raised confidentially, without fear of reprisals.</p>

<b>Explanation on application of the practice</b>	<p>: To enhance and better instil the ethical values within the Group, all directors, management staff, employees and suppliers are required to adhere to and comply with the Company's Anti-Bribery and Corruption Policy which sets out the key guiding principles and procedures to address bribery and corruption risks within and outside of the Group and taking into consideration the corporate liability provision under Section 17(A) of the Malaysian Anti-Corruption Commission Act 2009 that was enforced on 1 June 2020.</p> <p>During the year, ongoing training programmes covering areas such as code of conduct, anti-bribery and anti-corruption were conducted for staff.</p> <p>The Group has established an anti-money laundering/counter-terrorism financing policy to serve as a guide for its employees in the moneylending/insurance subsidiaries to conduct due diligence on its customers and to detect any suspicious transactions.</p>
<b>Explanation for departure</b>	<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>	
<b>Measure</b>	<p>: </p>
<b>Timeframe</b>	<p>: </p>

## Intended Outcome

### 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 implement policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has established a Whistle Blowing Policy to provide an avenue for employees and stakeholders of the Company/Group to report any genuine concerns about unethical/improper conduct, financial reporting, non-compliance with regulatory requirements and other malpractices. The identity of the whistle blowers and the matters raised by whistle blowers are protected and kept confidential under the policy.</p> <p>The Audit Committee is responsible to implement the Whistle Blowing Policy. All whistle blowing reports are to be submitted to the Audit Committee Chairman and shall be investigated promptly by the Audit Committee with the assistance of the Internal Auditors, the Human Resources Department and the Legal Department (where applicable). The Audit Committee shall be updated on the progress of investigation not later than the next scheduled meeting of the Audit Committee of the Company. Appropriate course of action will be recommended to the Audit Committee for their deliberation. The decision taken by the Audit Committee will be implemented immediately.</p> <p>The Whistleblowing Policy is available on the Company's corporate website at <a href="http://www.mphbcap.com.my">www.mphbcap.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.1**

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors (“Board”) of MPH Capital Berhad is ultimately responsible for the overall sustainability management of the Group. The Board is assisted by the Risk Management Committee (“RMC”) whose responsibility is to ensure that the strategic plan for the Group supports the long term value creation and sustainability goals of the Group and that plan is implemented effectively, taking into account of sustainability considerations.</p> <p>The RMC is supported by the Sustainability Working Group (“SWG”) in overseeing the sustainability implementation within the Group. The SWG is headed by the Chief Executive Officer (“CEO”) and is responsible for the formulation of sustainability policies and monitoring of the implementation of the related strategies and initiatives of the Group. The SWG comprises of the members of the management staff of the Company and the key operating subsidiaries or support units across the Group. The CEO will report plans and progress of sustainability initiatives to the RMC and/or the Board.</p> <p>The detailed information on the policies and practices formulated for the Group on sustainable value creation, conservation and contribution to community is set out in our Sustainability Report in the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	:	Applied.
<b>Explanation on application of the practice</b>	:	<p>Communication with stakeholders is integral to the Group’s sustainability initiatives. Knowing stakeholders’ concerns not only enables the Group to identify opportunities in enhancing stakeholders value, but also helps the Group to manage risks that could possibly be detrimental to stakeholders’ interests.</p> <p>The Group has identified six key stakeholder groups that impact or are directly having impact by the value creation activities as follows:</p> <ol style="list-style-type: none"> <li>1. Government and regulators</li> <li>2. Customers</li> <li>3. Business partners and intermediaries</li> <li>4. Employees</li> <li>5. Communities</li> <li>6. Investors and shareholders</li> </ol> <p>The Group conducts a materiality assessment every year as part of sustainability practice to ensure that the material matters remained relevant to the stakeholders. Through regular communications with the internal and external stakeholders, the Group understands the needs and concerns of the stakeholders, and their feedback were used to review the Group’s list of material matters. Details of the materiality assessment and stakeholder engagement are provided in the Sustainability Report contained in the Annual Report 2022.</p> <p>The Sustainability Report discloses all the identified material matters together with the sustainability objectives, relevant indicator as well as the outcomes and progress towards the objectives.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has viewed long term sustainability as an essential element that must be embedded within the business operations of the Group and the culture of the Boardroom.</p> <p>During the year, the Company has organized an in-house training programme entitled “Sustainability and Its Impact on Organizations” for the Directors and Management to ensure that they stay abreast with and understand the sustainability issues that are relevant and have impact on the Group and its business, including climate-related risks and opportunities.</p> <p>In 2022, the Executive Director and the Chief Executive Officer of the Company attended the TCFD Climate Disclosure training program organized by Bursa Malaysia Berhad to have a better understanding of the key elements of climate-related financial disclosure recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of sustainability in all its business operations and had included sustainability as one of the criteria in the performance evaluations of all employees (including the Board members and Senior Management).</p> <p>Based on the evaluation carried out by Nomination Committee, the Nomination Committee concluded that the Board had put in good efforts in ensuring that various measures were taken to address the long term sustainability of the Group’s business.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 4.5- Step Up**

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

*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.*

<b>Application</b>	:	Adopted.
<b>Explanation on application of the practice</b>	:	<p>The Chief Executive Officer (“CEO”) of the Company had been identified by the Board as the designated person to provide dedicated focus to manage the Group’s sustainability strategies/matters.</p> <p>During the year 2022, the CEO had held meetings with the management staff of the operating subsidiaries to review/discuss the formulation of the Group’s sustainability strategies/policies, and to monitor the status of the implementation of the Group’s sustainability initiatives.</p>

### Intended Outcome

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

### Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>(a) The Nomination Committee is tasked with the responsibility to ensure that the composition of the Board is refreshed periodically for it to operate in an effective manner.</p> <p>In line with the Practice 5.3 of the Malaysian Code on Corporate Governance, Tan Sri Dato' Dr Yahya bin Awang ("Tan Sri Yahya") resigned as Independent Non-Executive Chairman/Director on 1 July 2022 after serving more than 9 years on the Board. Following thereto, Tan Sri Dato' Surin Upatkoon was redesignated from a Non-Independent Non-Executive Director to a Non-Independent Non-Executive Chairman on 1 July 2022 in place of Tan Sri Yahya.</p> <p>In view of Tan Sri Yahya's resignation, the Nomination Committee had reviewed the composition of the Board and recommended to the Board the proposed appointment of Ms Ng Siew Hong as a new Independent Director of the Company. Ms Ng was appointed by the Board as an Independent Non-Executive Director of the Company with effect from 28 July 2022.</p> <p>(b) The Nomination Committee reviews on an annual basis, the experience, tenure and diversity required collectively for the Board to discharge its duties effectively. Based on the results of the evaluations conducted by the Nomination Committee, the Nomination Committee concluded that the size, composition, mix of skills and core competencies of the Board members have remained appropriate, taking into account of the Group's business and size, to enable the Board to carry out its responsibilities effectively.</p> <p>(c) The Nomination Committee also annually assesses the performance of all directors (including those seeking re-election) based on their competency, experience, contribution, commitment and independence (for independent directors). Only directors with satisfactory evaluations (including compliance with the fit and proper criteria) are recommended to the Board for re-election.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied.																		
<b>Explanation on application of the practice</b>	:	<p>Throughout the year 2022, at least half of the Board were independent Directors.</p> <p>As at 31 December 2022, the Board has five (5) Directors, of whom three (3) are Independent Directors as shown below:</p> <table border="1"><thead><tr><th>No</th><th>Name</th><th>Designation</th></tr></thead><tbody><tr><td>1.</td><td>Tan Sri Dato' Surin Upatkoon</td><td>Non-Independent Non-Executive Chairman</td></tr><tr><td>2.</td><td>Ms Ivevei Upatkoon</td><td>Executive Director</td></tr><tr><td>3.</td><td>Dato' Seri Lim Tiong Chin</td><td>Independent Non-Executive Director</td></tr><tr><td>4.</td><td>Mr Kuah Hun Liang</td><td>Independent Non-Executive Director</td></tr><tr><td>5.</td><td>Ms Ng Siew Hong</td><td>Independent Non-Executive Director</td></tr></tbody></table> <p>The presence of a majority of Independent Non-Executive Directors provides objective and independent views in the decision making of the Board as well as safeguarding the interests of the shareholders.</p>	No	Name	Designation	1.	Tan Sri Dato' Surin Upatkoon	Non-Independent Non-Executive Chairman	2.	Ms Ivevei Upatkoon	Executive Director	3.	Dato' Seri Lim Tiong Chin	Independent Non-Executive Director	4.	Mr Kuah Hun Liang	Independent Non-Executive Director	5.	Ms Ng Siew Hong	Independent Non-Executive Director
No	Name	Designation																		
1.	Tan Sri Dato' Surin Upatkoon	Non-Independent Non-Executive Chairman																		
2.	Ms Ivevei Upatkoon	Executive Director																		
3.	Dato' Seri Lim Tiong Chin	Independent Non-Executive Director																		
4.	Mr Kuah Hun Liang	Independent Non-Executive Director																		
5.	Ms Ng Siew Hong	Independent Non-Executive Director																		
<b>Explanation for departure</b>	:																			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																				
<b>Measure</b>	:																			
<b>Timeframe</b>	:																			

## Intended Outcome

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

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Mr Kuah Hun Liang was appointed as an Independent Director of the Company on 4 March 2013 and by March 2023, he had served as an Independent Director for a cumulative term of 10 years.</p> <p>At the last Annual General Meeting ("AGM") of the Company held on 30 June 2022, the shareholders had approved (via a two-tier voting process) the retainment of Mr Kuah Hun Liang as an Independent Director of the Company.</p> <p>In line with Practice 5.3, the Company will be seeking shareholder's approval (via a two-tier voting process) at the forthcoming AGM on 19 May 2023 to continue to retain Mr Kuah Hun Liang as an Independent Director.</p> <p>The Board's justifications to retain Mr Kuah Hun Liang as an Independent Director are set out in the Notice of 11<sup>th</sup> AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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

## Intended Outcome

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

## Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that diversity at the Board and Senior Management levels is an important element in achieving the Company's strategic objectives and sustainability goals.</p> <p>The Company has established a Diversity Policy with the objective to ensure there is a diverse mix of skills and profiles of the directors on the Board and Senior Management, in terms of age, ethnicity, gender, business experience and personal skills to provide the necessary perspectives, experience and expertise for the effective stewardship and management of the Company's operations. The Diversity Policy is available on the Company's corporate website at <a href="http://www.mphbcap.com.my">www.mphbcap.com.my</a>.</p> <p>The Nomination Committee is responsible for assessing the identified candidate for proposed appointment of new director and thereupon submitting their recommendation to the Board for decision. The Nomination Committee's recommendation is made after due consideration of, inter-alia, the following:</p> <p>(a) The Board's composition in terms of appropriate size, required mix of skills, experience and core competencies, gender diversity and adequacy of balance between Executive Director, Non-Independent Directors and Independent Directors, having regards to the strategic direction of the Group.</p> <p>(b) The candidate's qualification, skills, expertise, practical experience and ability to supplement the collective skill sets of the Directors and to bring different perspectives to the Board, and his/her fitness and propriety to be considered for appointment based on the factors specified in the Directors' Fit and Proper Policy of the Company which include the following:</p> <ul style="list-style-type: none"><li>- Probity, Personal Integrity and Reputation</li><li>- Competence and Capability</li><li>- Financial Integrity</li></ul> <p>(c) The candidate's commitment to effectively fulfill his/her role and responsibilities as a director of the Company, having regard to his/her existing directorships and other commitments.</p>

**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.

<p><b>Explanation on application of the Practice (cont'd)</b></p>	<p>: (d) The likelihood of the candidate able to work constructively with the existing directors to contribute to the overall effectiveness of the Board.</p> <p>(e) The candidate meets the regulatory requirements (including Listing Requirements) for appointment as a Director of the Company.</p> <p>In line with the Diversity Policy, the Company's employment of Senior Management staff are based on the individual candidate's skills, competency, talent, experience, educational background and behavioral attributes with due regard for diversity in skills, experience, age, cultural background and gender in the Company.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In addition to recommendation from the existing Board Members and major shareholders, the Company also leverages on external sources including the Company's external contacts in related industries such as finance, legal, property and accounting professionals to identify candidates for appointment as Director. The Nomination Committee meets with the shortlisted candidate(s) to assess his/her suitability before considering and recommending them for appointment to the Board and where applicable, to the Committees.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

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

### Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The profiles of the Directors are disclosed in the Annual Report and made available on the Company's corporate website. The details in the profiles include their age, gender, appointment dates, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any.</p> <p>The performance of the retiring directors is assessed by the Nomination Committee and Board before recommendations are made to the shareholders for consideration. For independent directors, the Nomination Committee also assesses their relationship with the executives that might influence or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Company.</p> <p>The Board has provided a statement to support the re-election/re-appointment of the directors and the reasons thereof in the Company's Notice of 11<sup>th</sup> Annual General Meeting to be held on 19 May 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board believes that the roles of the Chairman of the Nomination Committee can be effectively carried out by an Independent Director in ensuring objectivity and independence in the deliberations and decision making of the Nomination Committee.</p> <p>The Nomination Committee is currently chaired by Dato' Seri Lim Tiong Chin, an Independent Non-Executive Director of the Company.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The Board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	During the period from 1 January 2022 to 27 July 2022, the Board comprised of only 1 female director, which was less than 30% women directors on the Board.	
		However, following the appointment of Ms Ng Siew Hong as an Independent Non-Executive Director of MPH Capital Berhad on 28 July 2022, the number of women directors on the Board has increased to 2, which represented 40% of the Board's composition.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.10**

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied.	
<b>Explanation on application of the practice</b>	:	<p>The Company's policy on gender diversity for board and senior management is disclosed in the Overview Statement on Corporate Governance in the Annual Report.</p> <p>A copy of the Company's Diversity Policy is published in the Company's corporate website at <a href="http://www.mphbcap.com.my">www.mphbcap.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Board has established an annual performance evaluation process to assess the performance of the Board and Board Committees, as well as the performance of each Director and each member of the Board Committees on annual basis by way of a set of customised self-assessment questionnaires. The evaluation process is carried out by the Nomination Committee and supported by the Company Secretary. All assessments are properly documented.</p> <p>The Board is assessed in areas such as board conduct, board processes, board accountability, board governance, succession planning and interaction with management and stakeholders. For the individual director's self-assessment, the assessment criteria include integrity, commitment, leadership, knowledge, capability, communication ability and level of participation at Board and Committee meetings (including his or her contribution to the Board processes and the business strategies and performance of the Group).</p> <p>The Board Committees are assessed based on the following criteria:-</p> <ul style="list-style-type: none"><li>(i) Whether the committees have the right members' composition.</li><li>(ii) Whether the committees are providing appropriate recommendations in assisting the Board in making more efficient and effective decisions.</li><li>(iii) Whether the communications by the Board Committees are of sufficient quality.</li><li>(iv) Whether the Board is well informed on a timely basis regarding the Committees' deliberations.</li><li>(v) Whether the committees had carried out their duties effectively in accordance with their terms of reference.</li></ul> <p>The Nomination Committee also assesses the independence of Directors based on the criteria as specified in the Listing Requirements, which include factors such as the relationship between the independent director and the Company and his involvement in any significant transaction with the Company.</p>

	<p>The assessment and comments by all Directors were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board meeting held thereafter.</p> <p>Based on the results of the evaluations for the financial year under review, the Nomination Committee concluded that:</p> <ul style="list-style-type: none"> <li>• The Board as a whole was effective in carrying out its oversight responsibilities and fiduciary duties. The Board had put in good efforts in ensuring that various measures were taken to address the long term sustainability of the Group's business.</li> <li>• All the members of the Board are persons of high calibre and integrity, they have a good understanding of the Group's business. They possessed the skills, knowledge, experience and competencies to address the key risks and major issues relating the Group's business and its policies and strategies. All members of the Board had discharged their duties and responsibilities effectively.</li> <li>• The Board Committees had functioned effectively in assisting the Board in fulfilling its statutory and fiduciary responsibilities in the year 2022 and each individual Board Committee member had discharged his/her duties and responsibilities effectively.</li> </ul> <p>The Nomination Committee is satisfied that the present size, composition, mix of skills and core competencies of the Board are adequate and appropriate, taking into account of the Group's business and size, to provide a diversity of views and facilitate effective decision making. There is an appropriate balance between executive, independent and non-independent directors in the Board.</p> <p>The Nomination Committee had also assessed and concluded that the three (3) Independent Directors of the Company have continued to be independent.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

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

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

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Remuneration Committee is entrusted with the role of determining and recommending to the Board the remuneration framework/packages of the Board and Senior Management necessary to attract, retain and motivate Directors and Senior Management.</p> <p>The Board has established a Remuneration Policy for Directors and Senior Management, which sets out the policy and procedures in determining the remuneration of Directors and Senior Management.</p> <p>The remunerations of the Executive Director and Senior Management are set based on the nature and complexity of the roles, individual responsibilities and performance, job size, performance of the Company/Group (including performance in managing material sustainability risks and opportunities), scale/size of the Group's business, industry standards and labour market conditions. It should align with the business strategy and long-term objectives of the Company/Group.</p> <p>The Non-Executive Directors are paid a fixed fee which takes into consideration of the directors' fiduciary duties and responsibilities, accountability to shareholders, memberships in Board Committees, performance of the Company/Group (including performance in managing material sustainability risks and opportunities) and complexity of the business operations of the Group.</p> <p>Sitting allowances are also paid to all Directors in accordance with the number of meetings attended during the year.</p> <p>The directors' fees and allowances payable to Directors of the Company are endorsed by the Board and are tabled for approval by the shareholders at the Annual General Meeting.</p> <p>The Remuneration Policy for Directors and Senior Management was last reviewed and revised by the Board on 25 November 2021. A copy of this policy is publicly available on the Company's corporate website at <a href="http://www.mphbcap.com.my">www.mphbcap.com.my</a>.</p>

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



### Intended Outcome

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As at 31 December 2022, the Remuneration Committee comprises the following directors, all of whom are independent directors:</p> <ul style="list-style-type: none"> <li>• Dato' Seri Lim Tiong Chin - Chairman <i>(Independent Non-Executive Director)</i></li> <li>• Mr Kuah Hun Liang - Member <i>(Independent Non-Executive Director)</i></li> <li>• Ms Ng Siew Hong - Member <i>(Independent Non-Executive Director)</i></li> </ul> <p>The responsibilities of the Remuneration Committee include the formulation of a remuneration policy such as rewards and benefits and other terms of employment of the Executive Director as well as for the Senior Management and staff. The Remuneration Committee held one (1) meeting during the year.</p> <p>The Terms of Reference of the Remuneration Committee are available on the Company's corporate website at <a href="http://www.mphbcap.com.my">www.mphbcap.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The detailed disclosures of the remuneration of individual directors on named basis are set out in the table on page 35 of this report.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato' Dr Yahya bin Awang (Resigned on 1 July 2022)	Independent Director	44	4	0	0	0	0	48	44	8	0	0	5	0	57
2	Tan Sri Dato' Surin Upatkoon	Non-Executive Non-Independent Director	90	8	0	0	0	0	98	90	8	0	0	0	0	98
3	Dato' Seri Lim Tiong Chin	Independent Director	90	8	0	0	0	0	98	90	8	0	0	0	0	98
4	Kuah Hun Liang	Independent Director	90	8	0	0	0	0	98	90	12	0	0	0	0	102
5	Ivevei Upatkoon	Executive Director	0	7	239	65	0	36	347	0	7	239	65	0	36	347
6	Ng Siew Hong (Appointed on 28 July 2022)	Independent Director	39	2	0	0	0	0	41	39	2	0	0	0	0	41
7		Choose an item.														
8		Choose an item.														
9		Choose an item.														
10		Choose an item.														
11		Choose an item.														
12		Choose an item.														
13		Choose an item.														
14		Choose an item.														
15		Choose an item.														

**Intended Outcome**

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

**Practice 8.2**

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

<b>Application</b> :	Not applicable – adopted Step-Up 8.3.	
<b>Explanation on application of the practice</b> :		
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

<b>Application</b>	:	Adopted.
<b>Explanation on adoption of the practice</b>	:	MPHB Capital has 2 key senior management personnel i.e. Executive Director ("ED") and the Chief Executive Officer ("CEO").  The detailed disclosures of the remunerations of the ED and CEO are set out in the table on page 39 of this report.

No	Name	Position	Company ('000)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1	Ivevei Upatkoon	Executive Director	239	7	65	0	36	347
2	Kheoh And Yeng	Chief Executive Officer	731	0	244	0	39	1,014
3								
4								
5								

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Mr Kuah Hun Liang, the Chairman of the Audit Committee, is not the Chairman of the Board.</p> <p>The Audit Committee comprises solely of Independent Directors and it assists the Board to review the Group's financial reporting process, the system of internal control, the audit process and the Group's process for monitoring compliance with laws and regulations, and such other matters which may be delegated by the Board.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Under the Terms of Reference of the Audit Committee of the Company, no former partner of the external audit firm and/or the affiliate firm (including those providing advisory and tax consulting services) shall be appointed as a member of the Audit Committee before first observing a cooling-off period of at least three (3) years.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee has assessed the performance and independence of the external auditors of the Company based on the criteria approved by the Board. The evaluation process by the Audit Committee was conducted through the completion of a detailed questionnaire covering the factors/criteria as set out below, after obtaining feedback from the Finance Department which had regularly interacted with the external auditors:</p> <ul style="list-style-type: none"><li>(a) The engagement partner's qualification, knowledge and experience to perform his duty as external auditor.</li><li>(b) The external auditors' quality control processes and its process for internal review of accounting judgements.</li><li>(c) The number of man days spent by the engagement and concurring partners in the audit of financial statements of the Company/Group after taking into consideration of the size and complexity of the Company's/Group's operations.</li><li>(d) The level of engagement between the external auditors and the Audit Committee and whether the external auditors have provided independent views in the discussions with the Audit Committee.</li><li>(e) Whether the external auditors have updated the Audit Committee on significant issues concerning the Group, new developments (including the applicability of new and significant accounting standards) and its impact on the Group.</li><li>(f) Whether the external auditors have provided any constructive observations and recommendations in areas which required improvements particularly with regards to the internal control system relating to financial reporting of the Group.</li><li>(g) Whether the external auditors have met its performance targets in terms of the following:-<ul style="list-style-type: none"><li>(i) The adequacy of the external auditors' scope of audit;</li><li>(ii) The external auditors' effectiveness in planning and conduct of their audit of the financial statements of the Company/Group;</li><li>(iii) The external auditors' performance against the agreed duration set by the Company;</li><li>(iv) The timeliness of the external auditors' response to the issues raised by the Company.</li></ul></li></ul>

	<p>(h) The external auditors' level of commitment towards ensuring their staff's continuity on the audit of the financial statements of the Company and the Group.</p> <p>(i) Whether the provision of non-audit services by the external auditors has impaired the external auditors' objectivity, judgement or independence.</p> <p>(j) Whether the external auditors have shown to be independent and objective in their audit of the financial statements of the Company/Group.</p> <p>The Audit Committee is satisfied with the performance, technical competence and audit independence of the external auditors. The Audit Committee is of the view that the provision of non-audit services by the external auditors did not impair their objectivity, judgment or independence.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b> :	Adopted	
<b>Explanation on adoption of the practice</b> :	The Audit Committee comprises solely of Independent Directors throughout the year 2022.  As at 31 December 2022, the composition of the Audit Committee is as follows: <ul style="list-style-type: none"><li>• Mr Kuah Hun Liang - Chairman <i>(Independent Non-Executive Director)</i></li><li>• Dato' Seri Lim Tiong Chin - Member <i>(Independent Non-Executive Director)</i></li><li>• Ms Ng Siew Hong - Member <i>(Independent Non-Executive Director)</i></li></ul>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee ("AC") comprises three Independent Non-Executive Directors:</p> <p>(a) The Chairman of the AC, Mr Kuah Hun Liang, is an experienced banker and he has more than 32 years of experience in the financial services market.</p> <p>(b) Dato' Seri Lim Tiong Chin was a Public Accountant by profession and he is a fellow of the Institute of Chartered Accountants in England and Wales, and also an Associate Member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants.</p> <p>(c) Ms Ng Siew Hong is a retired lawyer. She has more than 30 years of experience in corporate and commercial legal works.</p> <p>Collectively, the AC members have the relevant skills, knowledge and experience to contribute to the effective function of the AC. They are financially literate and they are able to understand matters under the purview of the AC.</p> <p>During the year 2022, the Audit Committee was updated by the auditors on the relevant developments in accounting and auditing standards that are applicable to the Company/Group. The details of the continuous professional development undertaken by each member are presented in the section of "Corporate Governance Overview Statement" of the Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for maintaining a sound and effective system of risk management and internal control to safeguard shareholders' investment and the Group's assets, as well as reviewing the adequacy and effectiveness of these systems to support the Group's strategy and operations to achieve its business objectives.</p> <p>To discharge these responsibilities, the Board is assisted by the Risk Management Committee ("RMC") in fulfilling the oversight responsibilities of reviewing the control system in general and assessing the adequacy and effectiveness of the risk management and internal control practices implemented by the Management.</p> <p>The Board is supported by the Management in developing, implementing and monitoring sound practices for identifying and managing strategic, financial and operational risks and for providing assurance that risk management and internal control practices with respect to the conduct of business are implemented and adhered to within the Group.</p> <p>The Group has in place an enterprise risk management framework ("ERM Framework") to promote effective risk management and enhance the corporate governance assurance process. It sets out the process for risk identification, measurement and treatment with continuous monitoring, review and communication in order to provide reasonable assurance regarding the achievement of the Group's objectives.</p> <p>The Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is set out in the Annual Report.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board's oversight, review and monitoring of the effectiveness of its risk management and internal controls are supported by the Risk Management Committee ("RMC") and Audit Committee ("AC").</p> <p>The RMC provides oversight on risk management matters relating to the activities of the Group to ensure prudent risk management over the Group's business and operations. The Management had performed a risk assessment of the Group and updated the risk registers. The RMC had reviewed, appraised and assessed the efficacy of the controls and action plan taken to mitigate, monitor and manage the overall risk exposure of the Group.</p> <p>In year 2022, the adequacy of internal control was reviewed by the AC in relation to the audits conducted by Group Internal Audit ("GIA"). Audit issues and actions taken by Management to address the issues tabled by GIA were deliberated during the AC meetings. Minutes of the AC meetings which recorded these deliberations were presented to the Board.</p> <p>Internal control and risk-related matters which warranted the attention of the Board were recommended by the AC and RMC to the Board for its deliberation and approval, and matters or decisions made within the AC's and RMC's purview were escalated to the Board for its notation.</p> <p>Based on the risk management and internal control framework established and maintained by the companies within the Group, audit engagements conducted by the GIA, reviews performed by Management and various Board Committees, periodic reports from the Chief Executive Officer ("CEO") and Head of Finance &amp; Administration, as well as the External Auditors' consideration of the Group's internal control over financial reporting, the Board is of the view that the state of the Group's risk management and internal control framework is generally adequate and effective in mitigating risks to achieve its business objectives. No significant areas of concern that might affect the financial, operational, compliance control and risk management functions of the Group were identified.</p> <p>The Board had disclosed the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework in the Statement on Risk Management and Internal Control which is independently verified by the external auditors, in the Company's 2022 Annual Report.</p>

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



## Intended Outcome

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

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

## Practice 10.3 - Step Up

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board has established a Risk Management Committee to oversee the Company's risk management framework and policies.</p> <p>As at 31 December 2022, the Risk Management Committee comprises the following directors, all of whom are Independent Non-Executive Directors:-</p> <p>Mr Kuah Hun Liang - Chairman <i>(Independent Non-Executive Director)</i></p> <p>Dato' Seri Lim Tiong Chin - Member <i>(Independent Non-Executive Director)</i></p> <p>Ms Ng Siew Hong - Member <i>(Independent Non-Executive Director)</i></p> <p>The responsibilities of the Risk Management Committee include, among others, the following:</p> <p>(a) To ensure that the Company's corporate objectives are supported by a sound risk strategy and an effective risk management framework that is appropriate to the nature and complexity of its activities.</p> <p>(b) To review and assess the adequacy of the Group's risk management policies and framework and ensure adequate infrastructure, resources and systems are in place for effective risk management of the Group.</p> <p>(c) To identify and review any significant risks that exist in the Group and ensure that steps are taken to mitigate the risks within the Group's risk appetite.</p> <p>The Risk Management Committee held one (1) meeting during the year, which was attended by all members.</p>

## Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is carried out independently by Group Internal Audit Department (“GIAD”) and Internal Audit Department (“IAD”) of MPI Generali Insurans Berhad (“MPI Generali”), which report directly to the respective Audit Committees within the Group.</p> <p>As guided by the Internal Audit Charter/ Audit Policy, internal audit must be independent of the activities and processes, which it appraises to ensure it is able to perform its duties in an objective manner and provide impartial advice to the relevant Audit Committees.</p> <p>The internal audit function undertakes an independent assessment on the internal control system of the Group through audit engagements carried out in the financial year and provide assurance to the Audit Committees that no material issue or major deficiency has been noted which would pose a high risk to the overall system of internal control under review.</p> <p>In order to ensure that the responsibilities of the internal audit function were fully discharged, the relevant Audit Committees had reviewed the 2022 Internal Audit Plans, the adequacy of the scope and resources of the internal audit function as well as the performance in undertaking its internal audit function during the financial year under review.</p> <p>During the financial year ended 31 December 2022, internal audit engagements were conducted in accordance with the Internal Audit Charter/ Audit Policy and 2022 Annual Audit Plan that were reviewed and approved by the relevant Audit Committees. The Internal Auditors have provided recommendations to mitigate control weaknesses and enhance the governance, risk management and control processes within the Group. The results of the audits as disclosed in the internal audit reports were reviewed and deliberated by the Audit Committee at Audit Committee meetings and recommendations were duly acted upon by the Management. Follow-up reviews were conducted and reported to the relevant Audit Committees to ensure that all matters arising from each audit were adequately and promptly addressed by the Management.</p> <p>The summary of activities of the internal audit function during the financial year are set out in the Audit Committee Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group Internal Audit (“GIA”) Department is headed by Ms. Lim Gaik Leng. Ms. Lim is a Chartered Accountant of the Malaysian Institute of Accountants and has a Bachelor’s Degree in Accounting from the University Putra Malaysia with more than 22 years internal audit experience. The internal audit function of the GIA Department is supported by 5 internal auditors with relevant qualifications and experience to enable them to discharge their duties and responsibilities effectively.</p> <p>The Internal Audit (“IA”) Department of MPI Generali Insurans Berhad (“MPI Generali”) is headed by Mr. Nicholas Pak Mun Sek, who is an Associate Member of Chartered Management Accountant with more than 29 years internal audit experience. The internal audit function of the IA Department of MPI Generali is supported by 7 internal auditors with relevant qualifications and experience to enable them to discharge their duties and responsibilities effectively.</p> <p>To ensure that the internal audits are effectively performed, suitably qualified staff with the requisite skills and experience are recruited and employed. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills.</p> <p>The internal audit function reports directly to the relevant Audit Committees and is independent from the operational activities of the Group and its subsidiaries to ensure they are able to perform their duties in an objective manner and provide impartial views and unbiased judgements and recommendations to the Management and the Board. The internal auditors are free from any relationships or conflict of interest or undue influence of others to override professional and business judgment, which could impair their objectivity and independence.</p> <p>The internal audit’s activities are guided by the Internal Audit Charter/ Audit Policy and the Annual Audit Plan approved by the relevant Audit Committees. The GIA and IA of MPI Generali adopt a risk-based auditing approach, which is in line with the International Professional Practices Framework (“IPPF”) issued by the Institute of Internal Auditors.</p> <p>The Audit Committee is satisfied that the internal audit function is adequately resourced, independent and has appropriate standing to perform its functions effectively.</p> <p>A brief statement on the internal audit function and summary of key activities are disclosed under section of “Audit Committee Report” and “Statement on Risk Management and Internal Control” in the Annual Report.</p>

<b>Explanation for departure</b> :		

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

<b>Measure</b> :		
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<b>Timeframe</b> :		
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### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to provide its investors/shareholders with timely and accurate information on the Group's major developments through disclosures and/or announcements made to Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company announces its financial results to Bursa Securities on a quarterly basis and issues its Annual Report on an annual basis to provide shareholders/ investors with information on the Group's business review, financial performance and governance framework. The Board and the Senior Management take reasonable steps to ensure the accuracy and completeness of the information contained in the disclosures and/or announcements made to Bursa Securities.</p> <p>The Company employs best efforts to ensure that no disclosure of material information is made on a selective basis to any parties unless such information has previously been disclosed and announced to Bursa Securities. The Board has established an internal Corporate Disclosure Policy to facilitate the proper handling of confidential and/or material information to avoid leakage and improper use of such information.</p> <p>The Company has established a website, <a href="http://www.mphbcap.com.my">www.mphbcap.com.my</a>, which the shareholders and members of the public can access for corporate information and new events relating to the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The notice of the 10 <sup>th</sup> Annual General Meeting (“AGM”) of the Company was sent to the Shareholders on 29 April 2022, which was 60 days prior to the holding of the AGM on 30 June 2022. Thus, giving shareholders sufficient time to scrutinise the Annual Report and to make the necessary arrangements to attend the virtual AGM.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All Directors of the Company (including the Chairman of the Audit, Nomination, Remuneration and Risk Management Committees) attended the Annual General Meeting (“AGM”) and Extraordinary General Meeting (“EGM”) held virtually on 30 June 2022 and 27 July 2022 respectively (collectively known as “General Meetings”) to address any relevant questions and concerns raised by shareholders at the General Meetings.</p> <p>At the AGM of the Company, the Chief Executive Officer presented the Group’s performance and its strategies moving forward and shared some of the Company’s responses/replies to the questions received from the shareholders/proxies.</p> <p>The principal and independent advisers were present at the EGM to brief the shareholders on the details of the proposals tabled at the EGM and the independent advice on the proposals respectively.</p> <p>During the live streaming of the General Meetings, the Chairman encouraged the participation of shareholders via the submission of questions pertaining to the agenda items and resolutions tabled through Q&amp;A Platform.</p> <p>Barring any unforeseen circumstances, all the Directors of the Company will be attending the forthcoming AGM of the Company to be held on 19 May 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 13.3**

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	: Applied.
<b>Explanation on application of the practice</b>	: <p>The Company had leveraged on technology to facilitate the remote shareholders’ participation and electronic poll voting of all the resolutions at its virtual General Meetings. The proceedings of the General Meetings were held through Remote Participation and Voting (“RPV”) facilities provided by Metra Management Sdn Bhd (“Metra”).</p> <p>Where a member is unable to attend the General Meetings, he/she may appoint a proxy or the Chairman of the meeting as his/her proxy to attend and vote at the General Meetings via the RPV facilities.</p> <p>The Company had sought confirmation from Metra on their cyber hygiene practices to ensure data privacy and security to prevent cyber threats. To this Metra had confirmed that it has taken the following measures:</p> <ul style="list-style-type: none"><li>• End to end encryption had been provided to protect the users and meeting’s contents from the exposure to data loss and security breach from malware and viruses.</li><li>• Meeting event was password protected to only allow the shareholders/proxies to access the meeting platform and participate and vote at the meeting.</li><li>• A robust SSL Certificate was implemented at Metra’s website for a secure encrypted connection.</li><li>• A high-quality antivirus software is in place with schedules to perform automatic scans, detect and remove malicious virus, and protect the meeting platform from a range of online threats and security breaches.</li><li>• A network firewall is in place to prevent unauthorized user from accessing the Metra’s website and polling/mailling servers.</li><li>• Hosting of RPV facilities on a secured cloud platform.</li></ul>

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

### Intended Outcome

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

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied.
<b>Explanation on application of the practice</b> :	The Company recognises that the general meetings are important interaction platform with shareholders. The Chairman encourages active participation by the shareholders during the general meetings.  Shareholders were given the opportunity and sufficient time to raise questions or seek clarifications prior to the general meetings (via emails) and during the general meetings. There were active participation by shareholders with questions covering agenda items and resolutions tabled at the general meetings (including questions on the Group's financial and non-financial matters) being answered by the Board/Management.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As a precautionary measure in view of the COVID-19 pandemic, the Company's 10<sup>th</sup> Annual General Meeting ("AGM") on 30 June 2022 and Extraordinary General Meeting ("EGM") on 27 July 2022 (collectively known as "General Meetings") were conducted virtually through live streaming via Remote Participation and Voting ("RPV") facilities provided by the Company's share registrar, Metra Management Sdn Bhd.</p> <p>The Company had issued the Administrative Guides for the General Meetings to provide the shareholders with detailed steps to register, participate, raise questions and vote via the RPV facilities (including details for submission of questions via emails prior to the General Meetings).</p> <p>Shareholders were able to submit questions to the Board of Directors ("Board") prior to the General Meetings via emails to the Company's designated email accounts or they used the Q&amp;A platform to transmit questions to the Board via the RPV during the live streaming of the General Meetings. The shareholders were allowed to submit their questions at any time from the date of issuance of the notices of General Meetings up to the time when the General Meetings were in progress.</p> <p>Questions submitted by shareholders were made visible to the shareholders during the live streaming of General Meetings and addressed by the Board/Management at the broadcast venue or via emails after the General Meetings.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The minutes of the General Meetings held in 2022 were published on the Company's corporate website no later than 30 business days from dates of the General Meetings.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

Not applicable
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