

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5186  
**COMPANY NAME** : Malaysia Marine and Heavy Engineering Holdings Berhad  
**FINANCIAL YEAR** : December 31, 2024

### **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Directors (the Board) of Malaysia Marine and Heavy Engineering Holdings Berhad (MHB or the Company) recognises its role in providing oversight for the management and the Company's business and affairs. This encompasses making critical strategic decisions, ensuring adherence to relevant rules and regulations, protecting the interests of stakeholders, and maintaining high standards of corporate governance and ethical conduct within the MHB Group.</p> <p>The duties, powers and functions of the Board are governed by the Constitution of the Company, the Companies Act 2016 (CA 2016), Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and other regulatory guidelines and requirements that are in force.</p> <p>In discharging its responsibilities effectively, the Board is also guided by the Board Charter and is assisted by the following Board Committees, which operate under their respective Terms of Reference (TOR):</p> <ol style="list-style-type: none"> <li>(1) Board Audit Committee (BAC)</li> <li>(2) Board Sustainability &amp; Risk Committee (BSRC), and</li> <li>(3) Board Nomination &amp; Remuneration Committee (BNRC).</li> </ol> <p>The Board Charter and the TOR for the respective Board Committees are available on MHB's corporate website at:  <a href="https://mhb.com.my/about/#corporate-governance">https://mhb.com.my/about/#corporate-governance</a></p> <p><b>The Board together with Senior Management, promote good corporate governance culture within the company which reinforces ethical, prudent and professional behaviour</b></p> <p>The Group has policies and procedures in place that promote a culture of good governance and ethical, prudent, and professional behaviour. Such policies include the Code of Conduct and Business Ethics for Directors and Staff and procedures on Whistleblowing.</p>

	<p><b>Review, challenge and decide on Management’s proposals for the company and monitor its implementation by Management</b></p> <p>The Board plays an active role in the development of the Group’s strategic plans and direction. On an annual basis, together with the Group’s Management Committee and Heads of Divisions, the Board conducts dedicated sessions to discuss its long-term strategic objectives. These ‘deep dive’ sessions provide an opportunity for the Board to engage in robust discussions with members of the Senior Management to deliberate, challenge and approve broad strategic proposals.</p> <p><b>Ensure that the strategic plan of the company supports the long-term value creation and includes strategies on the economic, environmental and social considerations underpinning sustainability</b></p> <p>The Board plays an integral role in the development of the Company’s strategies and business plan. A dedicated Special Board Meeting is held in the fourth quarter of each year to give guidance or specific advice on the Company’s strategic business objectives and Management’s proposed strategic initiatives covering short-term, medium-term and long-term plans. Based on the guiding parameters provided by the Board and Board Committees and results obtained from comprehensive research on the macroenvironment as well as the Company’s internal capability, Management develops the Company’s business plan and budget, as well as a scorecard for the next financial year which are presented to the Board at a Special Board Meeting, held before the end of the year. During deliberation of the proposed business plans, budget and scorecard of the Company, the Board members will challenge Management’s perspectives and assumptions applied in formulating the plan to ensure the best outcomes are achieved.</p> <p>The Board emphasizes the formulation of short, medium, and long-term strategies to address the impact of the Group’s business and operations on sustainability, particularly those affecting the economy, environment, and society.</p> <p>In preparing this business plan, MHB is guided by the delivery strategy outlined during the July 2024 Board Strategic Conversation, and the subsequent engagement sessions carried out with internal stakeholders. Additionally, it also incorporates the Key Initiatives to bring about MHB’s required operational shifts as outlined by the MHB Transformation plan.</p> <p>The Board approved the MHB Business Plan for FY 2025 – 2030 and Budget for FY 2025 in October 2024.</p>
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	<p><b>Supervise and assess Management performance to determine whether the business is being properly managed</b></p> <p>The Group's operations and performance are measured and tracked against a set of approved targets set in the Key Performance Indicators (KPIs) of Senior Management. The KPIs are cascaded to all executive staff across the Group. At every quarterly Board meeting, Management presents the Company's business overview, which encompasses each divisional performance, key operational issues, and industry updates.</p> <p><b>Ensure there is a sound framework for internal controls and risk management</b></p> <p>The Group has put in place a systematic risk management framework adopted from the MISC Enterprise Risk Management (ERM) Framework to identify, evaluate and manage enterprise risks and implement appropriate internal control systems to manage these risks.</p> <p>The Board, through the establishment of the Board Audit Committee (BAC) and Board Sustainability &amp; Risk Committee (BSRC), reviews the adequacy and integrity of the Group's internal control and risk management systems. Risk management is internally reviewed and monitored through the Risk Council (RC), a Management-level committee. The RC is, in turn, accountable to the BSRC.</p> <p><b>Understand the principal risks of the Company's business and recognise that business decisions involve taking of appropriate risks</b></p> <p>The RC regularly monitors and reviews the management of principal risks. The implementation of risk management activities is undertaken at the corporate and business units/subsidiaries level and at the project level. In addition, risks that are deemed material are reviewed and monitored by the Risk Management Department (RMD) at regular intervals prior to escalation to RC and BSRC. Each appointed risk owner and risk champion owns the responsibility for risk management activities in their specific department/unit to ensure consistent implementation of risk management processes across the Group.</p> <p><b>Set the risks appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks</b></p> <p>MHB's structured risk management process has adopted MISC's ERM Framework, which is aligned with ISO 31000. Risk registers are established at the business, operations units/subsidiaries, and project levels. These risk registers are then analysed to identify the key risks (MHB Risk Profile) that could significantly impact the achievement of MHB strategies and objectives and may require Group-wide initiatives to mitigate. The detailed disclosures in relation to the above can be found in the Company's Integrated Annual Report 2024 (IAR 2024).</p>
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	<p>MHB also has in place crisis management and business continuity management processes. Crisis management is an integrated process that aims to prepare the organisation to respond and manage crises in a particular risk area, to protect people, environment, assets and reputation. Business continuity management aims to build the capability of the Group to recover and continue the operations of critical business functions in the event of disruption.</p> <p><b>Ensure that Senior Management has the necessary skills and experience and there are measures in place to provide the orderly succession of Board and Senior Management;</b></p> <p>Through the Board Nomination &amp; Remuneration Committee (“BNRC”), the Board plays an essential role in overseeing the recruitment, retention, and development of executive and non-executive directors, ensuring effective management and a board renewal process. The BNRC reviews the Group’s Human Resource plan and strategy and bases its review of remuneration and hiring on competitive industry practices and meritocracy.</p> <p><b>Ensure that the Company has in place procedures to enable effective communication with stakeholders;</b></p> <p>The Board takes cognizance of the importance of effective and timely communication with the Company’s stakeholders.</p> <p>Further details on the Company’s efforts in stakeholder communication can be found in the Engaging with Stakeholders section on pages 46 to 55 of the IAR 2024.</p> <p><b>Ensure that all its Directors are able to understand financial statements and form a view on the information presented; and</b></p> <p>The Board members of the Company have an adequate understanding of the financial statements of the Company and are able to participate and contribute effectively to discussions on financial statements. As of 31 December 2024, two (2) of the Board members, Puan Mariah Mohamad Said and Encik Shamsul Bahar Ahamad Zainal Badri are qualified accountants and members of the Malaysia Institute of Accountants. In addition to that, Raja Azlan Shah Raja Azwa is a Certified Public Accountant and a member of the Malaysian Institute of Certified Public Accountants.</p> <p>The Board members keep abreast with developments in financial and regulatory requirements by attending relevant training programmes internally or externally.</p>
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	<p><b>Ensure the integrity of the Company’s financial and non-financial reporting. Courts have held that it is the duty of every Director to read the financial statement of the Company and carefully consider whether what they disclose is consistent with the Director’s own knowledge of the company’s affairs</b></p> <p>The Board is assisted by the BAC in overseeing the Group’s financial reporting processes and the quality of said reporting. The BAC reviews the quarterly financial reports which are presented by the Chief Financial Officer in the presence of the Group Internal Auditor and the Managing Director &amp; Chief Executive Officer prior to recommending them for approval by the Board for the announcement to Bursa Securities. The Directors have also provided assurance that the financial statements prepared for each financial year give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year.</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**

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>The position of the Chairman of the Board is held by an Independent Non-Executive Director, Encik Mohammad Suhaimi Mohd Yasin, who was appointed as the Chairman of the Board with effect from 16 October 2023. The Chairman's profile is available on page 153 of the IAR 2024.</p> <p>The role of the Chairman of the Board is to ensure effective conduct of the Board through the execution of the following:</p> <ul style="list-style-type: none"> <li>• instilling good corporate governance practices, leadership and effectiveness of the Board;</li> <li>• setting the agenda for each Board meeting together with the Company Secretary and Managing Director &amp; Chief Executive Officer (MD&amp;CEO);</li> <li>• leading the Board and general meetings and discussions;</li> <li>• encouraging active participation and allowing dissenting views to be freely expressed;</li> <li>• leading the Board in setting and monitoring good corporate governance practices, values and standards in the Company;</li> <li>• maintaining a relationship of trust with and between the Executive Director (ED) and Non-Executive Directors (NEDs);</li> <li>• facilitating the effective contribution of NEDs and ensuring constructive relations to be maintained between ED and NEDs; and</li> <li>• ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.</li> </ul> <p>The Chairman's key responsibilities are set out in the MHB's Board Charter which is available on the MHB's corporate website at <a href="http://www.mhb.com.my">www.mhb.com.my</a></p>
<b>Explanation for departure</b>	:	
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<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>In line with the principles of good corporate governance, the roles of Chairman of the Board and MD &amp; CEO are held by different individuals, with a clear segregation of duties to enhance accountability and facilitate the division of responsibilities as outlined in the Board Charter. This ensures that no single individual can unduly influence the Board's discussions and decision-making processes.</p> <p>Encik Mohammad Suhaimi Mohd Yasin, an Independent Non-Executive Director (INED) is the Chairman of MHB whilst Encik Mohd Nazir Mohd Nor is the MD &amp; CEO.</p> <p><b>The Chairman</b></p> <p>Encik Mohammad Suhaimi Mohd Yasin is primarily responsible for carrying out the leadership role in the conduct of the Board, MD &amp; CEO and Management. He also leads the Board in its collective oversight of Management.</p> <p>Since his appointment as Chairman, he has effectively fulfilled his responsibilities. In addition to ensuring the quality of deliberations at Board level, he consistently emphasises the importance of the adequacy and accuracy of the information presented to the Board.</p> <p><b>MD &amp; CEO</b></p> <p>The role of the MD &amp; CEO is to design, develop and implement strategic plans for the organisation in a cost and time-efficient manner. Besides monitoring the day-to-day operations of the Company, the MD &amp; CEO also develops business, and short to long term plans in collaboration with the Board. The MD &amp; CEO is accountable to the Chairman of the Board and reports to the Board on a regular basis.</p> <p>Encik Mohd Nazir Mohd Nor and the Management team have been dedicated to progressively transforming MHB and restoring the confidence of all stakeholders. He is known for his objective approach and well-defined transformation plans.</p> <p>The roles of the Chairman of the Board and MD &amp; CEO are clearly stated in the Board Charter which is available on Company's corporate website at <a href="http://www.mhb.com.my">www.mhb.com.my</a></p>

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<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>	: Applied
<b>Explanation on application of the practice</b>	: <p>The Chairman of the Board is neither a member nor permanent invitee of the Board Audit Committee (BAC), Board Nomination &amp; Remuneration Committee (BNRC) and Board Sustainable &amp; Risk Committee (BSRC).</p> <p>The Board Charter and Terms of Reference of the respective Board Committees explicitly prohibits the appointment of the Chairman of the Board to any of the Board Committee(s).</p> <p>This provides check and balance and fostering objective review 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

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 Board is supported by two (2) qualified Company Secretaries. Both Encik Shahrin Albakri Mustafa Albakri and Puan Haniza Sabaran are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The roles and responsibilities of the Company Secretaries include but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• managing process for all Board and Board Committees' meeting logistics, attend and record minutes of all Board and Board Committees' meetings and facilitate Board communications; advising the Board on its roles and responsibilities;</li> <li>• facilitating the orientation of new Directors and assisting in Directors' training and development;</li> <li>• advising the Board on corporate disclosures and compliance in relation to the Companies Act 2016, securities regulations and listing requirements;</li> <li>• managing processes pertaining to the annual shareholders' meeting;</li> <li>• monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and</li> <li>• serving as the focal point for stakeholders' communication and engagement on corporate governance issues.</li> </ul> <p>The Company Secretaries keep themselves abreast with regulatory changes and developments in corporate governance and the MMLR of Bursa Securities, Malaysian Code on Corporate Governance, the Companies Act 2016 and any other rules and regulations through continuing education and professional training.</p> <p>The Company Secretaries attended courses/trainings during the financial year as listed below:</p> <p>1. <u>Encik Shahrin Albakri Mustafa Albakri</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">No.</th> <th style="width: 40%;">Training</th> <th style="width: 30%;">Organiser</th> <th style="width: 20%;">Date</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Understanding and Implements of E-Invoice &amp; Capital</td> <td style="text-align: center;">Malaysian Associates of Companies</td> <td style="text-align: center;">23.03.2024</td> </tr> </tbody> </table>	No.	Training	Organiser	Date	1.	Understanding and Implements of E-Invoice & Capital	Malaysian Associates of Companies	23.03.2024
No.	Training	Organiser	Date						
1.	Understanding and Implements of E-Invoice & Capital	Malaysian Associates of Companies	23.03.2024						

	Gains Tax and Budget 2024	Secretaries (MACS)	
2.	MISC Group Directors Training (Session 1) - Tackling Emerging Risks - Clean Energy Outlook and Trends - Navigating Maritime Cybersecurity in the Digital Era - Overview of the Shipping Industry	MISC Berhad	13.06.2024
3.	MISC Group Directors Training (Session 2) - Understanding the duties and Liabilities of Directors and Officers and How to Risk Manage Liability Exposures - Pathway towards Decarbonisation - Overview of the International Sustainability Standards IFRS S1 & S2 - Navigating Ammonia as the Low Carbon Solution	MISC Berhad	4.10.2024

2. Puan Haniza Sabaran

No.	Training	Organiser	Date
1.	MHB Anti Bribery Policy Awareness	MHB	01.03.2024
2.	Practical Implementation of Beneficial Ownership (BO)	Companies Commission of Malaysia (CCM)	05.04.2024
3.	MISC Group Directors Training (Session 1) - Tackling Emerging Risks	MISC Berhad	13.06.2024

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		<ul style="list-style-type: none"> <li>- Clean Energy Outlook and Trends</li> <li>- Navigating Maritime Cybersecurity in the Digital Era</li> <li>- Overview of the Shipping Industry</li> </ul>		
	4.	MISC Group Directors Training (Session 2) <ul style="list-style-type: none"> <li>- Understanding the duties and Liabilities of Directors and Officers and How to Risk Manage Liability Exposures</li> <li>- Pathway towards Decarbonisation</li> <li>- Overview of the International Sustainability Standards IFRS S1 &amp; S2</li> <li>- Navigating Ammonia as the Low Carbon Solution</li> </ul>	MISC Berhad	4.10.2024
	5.	Minutes Writing – How to Write Effectively	MAICSA	17.10.2024
<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>Board papers containing information for each item on the agenda, are distributed to the Board members within a reasonable period prior to Board meetings to ensure that Directors have sufficient time to evaluate and review the proposals to facilitate better discussion and deliberation at the meetings. However, sensitive and highly confidential matters may be tabled at the meeting itself.</p> <p>As part of MHB's initiatives to reduce paper usage which is in line with MHB's cost optimisation exercise and ESG, access to Board papers is provided online through a collaborative software which eases the process of distribution of meeting papers and minimises leakage of sensitive information, as well as enabling the Directors to have access to the papers electronically, anytime and anywhere.</p> <p>Presentations and briefings by the Management and relevant external consultants, where applicable, are also held at Board meetings to provide further clarity to the Board. In this regard, the relevant information is furnished, and clarifications are given to assist the Board in making informed decisions.</p> <p>The final draft minutes of the Board and Board Committee meetings are circulated to all Board members and the Board Committees members respectively. This has allowed them to comment and seek clarifications on the minutes, prior to confirming the minutes as true and correct records of the meeting.</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>	:	

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<b>Timeframe</b>	:		
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**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’s roles and responsibilities are documented in the Board Charter which reflects the corporate governance structure and practices of the MHB Group. The Board Charter also outlines, amongst others, the roles of the Board Committees, MD &amp; CEO, Company Secretary, Board processes, Board functions and Board development and Gender Diversity Policy.</p> <p>The Board Charter is periodically reviewed to ensure its compliance and relevance to the prevailing laws, rules, regulations and best practices and to be consistent with the Board’s objective. The latest revision of the Board Charter was approved by the Board in November 2024 which is available on the MHB’s corporate website at <a href="http://www.mhb.com.my">www.mhb.com.my</a></p> <p>In addition, the matters reserved for the Board, MD &amp; CEO and Management are set out in the Limits of Authority Manual.</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 Company adheres to its Code of Conduct and Business Ethics (CoBE), which includes the Whistleblowing Policy and No Gift Policy, and addresses critical areas such as conflicts of interest, insider trading, and money laundering. The CoBE establishes clear expectations of ethical behaviour and applies to the Company, its Directors, employees, and third parties performing works or services on the Company's behalf.</p> <p>To reinforce these principles, the Board has adopted the Anti-Bribery and Corruption Manual (ABC Manual), which supplements the CoBE by providing detailed guidance on anti-corruption practices. These measures collectively demonstrate the Company's commitment to upholding the highest standards of integrity and ethical behaviour.</p> <p>MHB's anti-bribery efforts are further supported by its certification under the ISO 37001:2016 Anti-Bribery Management System, accredited by SIRIM QAS International Sdn Bhd. This certification reflects the Company's proactive approach to preventing, detecting, and responding to bribery risks, aligning its business practices with internal policies and evolving legal requirements.</p> <p>The governance framework supporting the CoBE includes:</p> <ul style="list-style-type: none"> <li>• CoBE Guide</li> <li>• CoBE for Third Parties</li> <li>• Anti-Bribery and Corruption Policy</li> <li>• Anti-Bribery Management System Manual</li> <li>• Corporate Privacy Policy</li> <li>• Conflict of Interest</li> <li>• Competition Law Guidelines</li> <li>• Sanctions &amp; Export Control Guidelines</li> <li>• Raid Protocol</li> <li>• Human Rights Commitment</li> <li>• Modern Slavery Policy</li> </ul>

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	The MHB CoBE and above-mentioned policies are publicly available on the MHB's corporate website at <a href="http://www.mhb.com.my">www.mhb.com.my</a>	
<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 3.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has in place a Whistleblowing Policy that outlines the systems and processes for reporting misconduct, supported by a Whistleblowing Secretariat and accessible channels via email and e-Whistleblowing. These channels provide employees and stakeholders with a secure and confidential avenue to report any non-compliance with the Group's Code of Business Ethics (CoBE).</p> <p>The main objectives of the Whistleblowing Policy are:</p> <ul style="list-style-type: none"> <li>• To provide avenues for employees and the public to report misconduct that has occurred or is about to occur within the Group.</li> <li>• To assure the Whistleblower that protection will be provided under the Whistleblower Policy, provided the report is made in good faith.</li> <li>• To establish a formal mechanism for acting on all reports received.</li> </ul> <p>The Whistleblowing Policy Guidelines ensure a structured and accountable process for addressing all reports of misconduct. The Whistleblowing Secretariat and Whistleblowing Committees are operationalised by the Compliance Unit of the Legal, Corporate Secretarial and Compliance Division of MHB.</p> <p>In line with the Group's commitment to upholding the highest standards of integrity, the Board, through the BAC, reviews whistleblowing reports on a quarterly basis, ensuring effective oversight and accountability.</p> <p>The Whistleblowing Policy is available on the MHB's corporate website at <a href="http://www.mhb.com.my">www.mhb.com.my</a>.</p>
<b>Explanation for departure</b>	:	

[Open]

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

<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 together with Management acknowledge their responsibility in championing sustainability at MHB. The MHB Sustainability Framework ("the Framework") and governance structure outlines its strategic approach towards sustainability. It includes setting the Company's sustainability strategies, priorities and targets.</p> <p>The Framework consists of five (5) key sustainability pillars of Financial, Environment, Social, Governance and Stakeholder Engagement. Within each pillar, the Company has outlined its strategic priorities and implemented initiatives to achieve goals set therein.</p> <p>The Board sits at the top of MHB's sustainability governance structure. The sustainability oversight function is held by the BSRC which reports to the Board. This structure enables the Board to exercise its purview over MHB's sustainability matters effectively and consider sustainability in developing the Company's strategies, business plans and risk management amongst others.</p> <p>The Management Committee (MC) reviews and recommends to the BSRC, MHB's sustainability commitment, pillars and strategic priorities. At the operational level, the MC approves initiatives in line with the Company's sustainability commitment. The Corporate Sustainability Unit, headed by a Senior Manager, reports to the Chief Strategy and Sustainability Officer on the progress of sustainability initiatives and monitors MHB's sustainability performance.</p> <p>The Company's material matters are assessed and reviewed periodically to ensure recent developments and changes are incorporated and considered in the Company's strategic direction.</p>
<b>Explanation for departure</b>	:	

[Open]

<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>The Board is committed to ensure the sustainability efforts of the Company are communicated to its internal and external stakeholders.</p> <p>MHB’s IAR 2024 includes a Sustainability Statement that discloses the Company’s sustainability strategies, priorities, targets, and performance. It serves as the main communication tool for MHB’s Sustainability to internal and external stakeholders.</p> <p>MHB’s stakeholder engagement principles include collaborating with strategic partners, being transparent on its sustainability performance disclosures, seeking feedback regularly, communicating effectively through identified platforms and promoting sustainability awareness. MHB also actively communicates and promotes sustainability programs with the employees through its internal communications channel.</p> <p>For more information on MHB’s sustainability strategies, priorities, targets and performance, please refer to the Sustainability Statement on pages 86-152 of the Company’s IAR 2024 which is available on the MHB’s corporate website at <a href="http://www.mhb.com.my">www.mhb.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 4.3**

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>In view to gain a better understanding of the sustainability issues relevant to MHB and its business, including climate-related risks and opportunities, the Board members have attended continuous training on sustainability issues covering the following areas:</p> <ul style="list-style-type: none"> <li>• Pathways towards Decarbonisation: Strategies and Sustainable Practices for the Energy Industry</li> <li>• Overview of the International Sustainability Standards Board (ISSB) IFRS S1 &amp; S2 (International Sustainability Disclosure Standards)</li> <li>• Navigating Ammonia as the Low Carbon Solution</li> <li>• Clean Energy Outlook and Trends</li> </ul> <p>The Board will continue to engage with subject matter experts (external and internal) to better understand sustainability risks and opportunities.</p> <p>All sustainability matters, including climate-related risks and opportunities, are reported to the Board and BSRC on a quarterly basis.</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><u>Board of Directors</u> Sustainability is addressed in the Board’s Key Performance Indicator (KPI) via the requirement to review and formulate strategies that address sustainability and stakeholder interests through internal policies.</p> <p><u>Senior Management</u> Senior Management’s performance in terms of sustainability is embedded in KPIs, which form part of the Company’s Scorecard 2024 vis-à-vis the KPI for Scope 1 &amp; 2 carbon emission intensity reduction, Health and safety performance, and governance-related performance.</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 adoption of the practice</b>	:	MHB has a designated Corporate Sustainability Department headed by a Senior Manager, Corporate Sustainability that reports to the Chief Strategy and Sustainability Officer. The Chief Strategy and Sustainability Officer is responsible for overseeing and guiding the organisation's efforts in sustainability, working across functions to achieve long-term, sustainable growth. This department provides a dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Company.

**Intended Outcome**

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

**Practice 5.1**

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>The Board of MHB has adopted the Step-Up Practice 5.4. This ensures that the Board is refreshed periodically.</p> <p>The BNRC evaluates the effectiveness of the Board and Individual Directors annually. Concurrently, the BNRC reviews the target skills needed for the Board's effective decision making. Additionally, the BNRC reviewed and proposed the annual re-election of the Directors based on the annual Directors' evaluation.</p> <p>The BNRC reviewed and conducted an assessment process to evaluate the eligibility of retiring Directors before recommending them to the Board for approval. Encik Mohammad Suhaimi Mohd Yasin was re-elected at the 35<sup>th</sup> Annual General Meeting (AGM) held on 18 April 2024 pursuant to Rule 21.8 of the Company's Constitution, whilst Encik Ausmal Kardin was re-elected pursuant to Rule 21.7 of the Company's Constitution.</p> <p>In determining the eligibility of Directors for re-appointment/ re-election above, the BNRC considered the following elements, among others:</p> <ul style="list-style-type: none"> <li>(i) the Directors' fitness and propriety with reference to the Directors' Fit and Proper Policy of the Company;</li> <li>(ii) the Directors' performance and contribution based on the Board Effectiveness Evaluation and Individual Directors' Performance Assessment for the financial year ended 2023 results;</li> <li>(iii) the outcome of the Conflict-of-Interest Assessment reviewed by the Board Audit Committee; and</li> <li>(iv) Time Commitment and Contribution.</li> </ul>
<b>Explanation for departure</b>	:	

[Open]

<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>Paragraph 15.02(1) of the MMLR requires a listed issuer to ensure that at least two (2) Directors or 1/3 of the Board of Directors of a listed issuer, whichever is the higher, are independent directors.</p> <p>The Board composition of the Company complies with Paragraphs 15.02 of the Listing Requirements, of which:</p> <p>a) Five (5) are Independent Non-Executive Directors:</p> <ol style="list-style-type: none"> <li>1. Encik Mohammad Suhaimi Mohd Yasin</li> <li>2. Encik Wan Yusoff Wan Hamat</li> <li>3. Mr Keith Taylor</li> <li>4. Puan Mariah Mohamad Said</li> <li>5. Encik Azhar Noordin</li> </ol> <p>b) Three (3) are Non-Independent Non-Executive Directors:</p> <ol style="list-style-type: none"> <li>1. Encik Zahid Osman</li> <li>2. Encik Shamsul Bahar Ahamad Zainal Badri</li> <li>3. Raja Azlan Shah Raja Azwa</li> </ol> <p>c) One (1) is Non-Independent Executive Director:</p> <ol style="list-style-type: none"> <li>1. Encik Mohd Nazir Mohd Nor</li> </ol> <p>All five (5) Independent Non-Executive Directors which constituted 56% of the Board composition satisfied the independence criteria under the MMLR.</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>	:	Others

**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>	:	Not applicable - Step Up 5.4 adopted	
<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**

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

**Practice 5.4 - Step Up**

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: <p>The Board Charter has provisions that limit the tenure of an Independent Director to a cumulative term of nine (9) years. The provisions are stated in the following paragraphs:</p> <p>2.3.1 - The tenure of an Independent Director shall be limited to nine (9) years.</p> <p>The Board Charter is available on the MHB's corporate website at <a href="http://www.mhb.com.my">www.mhb.com.my</a></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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The BNRC is responsible for making recommendations to the Board for the appointment of Directors, re-election of retiring Directors at the Annual General Meeting and the appointment of senior management.</p> <p>In selecting and assessing candidates for appointment or re-election as Directors, the BNRC applied the fit and proper criteria and was satisfied with confirmation of character, experience, integrity, competence, and time as outlined by Bursa Securities MMLR Paragraph 2.20A. In accordance with the MMLR, none of the Board members hold more than five directorships in listed companies.</p> <p>For Directors, the BNRC TOR provides that the selection criteria must consider skill, knowledge, expertise, experience, integrity, and time to effectively discharge his or her role as a director. Apart from that, the BNRC considers the incumbent's existing Board positions, including on Boards of non-listed companies.</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 5.6**

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>	:	<p>In identifying candidates for appointment as Independent Directors, the Board generally accepts recommendations from existing Board members, Management or major shareholders, and independent recruitment firms.</p> <p>During the year under review, the BNRC evaluated the Board's candidates based on merit, capabilities and the skill sets required by the Company. In addition, the BNRC adheres to the Directors' Fit and Proper (F&amp;P) Policy and requirements under Paragraph 2.20A of the MMLR, which considers factors such as character, experience, integrity, competence, and time commitment. Additionally, diversity in terms of age and gender is taken into consideration during the selection process.</p> <p>The F&amp;P Policy for the appointment and re-election of Directors is made available on MHB's corporate website at <a href="http://www.mhb.com.my/about/#corporate-governance">www.mhb.com.my/about/#corporate-governance</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**

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 Board has endorsed the BNRC's recommendation for the re-election of a Director, in material respect their capacity to bring an independent judgement on issues before the Board and to act in the best interests of the Company as a whole.</p> <p>The shareholders were given sufficient information about the Directors who were standing for re-election (name, age, gender, working experience, whether they have any conflict of interest, directorship in other companies as well as details of any interest) in the AGM notice. The AGM notice also stated that the Board supports the re-election.</p> <p>The profiles of the Directors standing for re-election were provided to the shareholders in the IAR 2023 to assist them in making an informed decision on the re-election of Directors.</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>Pursuant to Paragraph 3.1 of the BNRC TOR, the Chairman of the BNRC must be an Independent Non-Executive Director.</p> <p>The current BNRC is chaired by Encik Wan Yusoff Wan Hamat, an Independent Non-Executive Director. The profile of Encik Wan Yusoff Wan Hamat is available on page 154 of IAR 2024.</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>	:	As of 31 December 2024, MHB has one (1) woman director which represents 11% of the Board Composition.	
		The Board supports the philosophy of gender diversity and recognises the benefits it can bring, nevertheless, the Board believes that any new appointments should be based on merits and capability.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	One of the criteria for the ongoing Board search is gender of the candidate.	
<b>Timeframe</b>	:	Within 3 years	

**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 Board is committed to ensuring the requisite diversity of Board members, encompassing, for example, age, ethnicity, and gender, and leveraging differences in thought, perspective, knowledge, skill, regional and industry experience, and background. The Board Diversity Policy is embedded in the Board Charter.</p> <p>The MHB Group Diversity and Inclusion Statement has been established to support MHB's commitment towards building a diverse workforce and a culture of inclusion across the Group.</p> <p>For more information on the MHB Board Diversity Policy and the MHB Group Diversity and Inclusion Statement, please refer to MHB's corporate website at <a href="http://www.mhb.com.my">www.mhb.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 Effectiveness Evaluation for 2024 (“BEE 2024”) was conducted internally in January 2025, facilitated by the Company Secretaries.</p> <p>The performance of the Board, Board Committees and Individual Directors is evaluated annually against the Board’s Key Performance Indicators (KPIs), using a Performance Evaluation Sheet as a tool.</p> <p>The Board KPIs focus on achievements of measurable ‘hard targets’ based on three criteria, i.e. Board Structure, Board Operations and Board Roles and Responsibilities. Each Director is required to provide a rating with respect to the areas measured.</p> <p>Individual Directors’ Performance is assessed using the peer and self-evaluation method.</p> <p>The final ratings are then reviewed by the BNRC and the Board.</p> <p>All Directors successfully fulfilled their responsibilities and commitments. The Board rated each Director's performance as satisfactory, indicating that they met the criteria for the areas of assessment.</p> <p>BNRC’s assessment of the performance of the BAC and its members:</p> <ul style="list-style-type: none"> <li>(i) BAC and its members have carried out their responsibilities and duties in accordance with the BAC TOR; and</li> <li>(ii) the existing members of the BAC shall continue to be BAC members for the financial year 2025.</li> </ul> <p>The disclosures on the Board, Board Committees, and Individual Directors’ Performance Assessment may be referred to in the BNRC Report on page 185 of the Company’s IAR 2024.</p>

[Open]

	As recommended under Practice 6.1 of MCCG 2021, the Board will consider the periodical engagement of an independent expert to undertake the Board's evaluation.	
<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 7.1

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 of MHB's Non-Executive Directors is based on the PETRONAS Public Listed Companies Non-Executive Directors' Remuneration Guidelines and Packages while the senior management's remuneration is based on salary bands reflective of industry standards.</p> <p>Further information on the above remuneration structure is set out in the Corporate Governance Overview Statement of the MHB's IAR 2024, which is available on the corporate website at <a href="http://www.mhb.com.my">www.mhb.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 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>The Remuneration Committee and its functions reside within the BNRC of MHB, which was established and comprises exclusively Non-Executive Directors. The majority of its members are Independent Non-Executive Directors, and the committee is chaired by an Independent Non-Executive Director.</p> <p>Among others, the BNRC’s primary responsibility is to consider and recommend to the Board, and to support the Board’s responsibility in respect of, the remuneration policy for Directors, Senior Management and employees of the Company.</p> <p>The BNRC’s TOR was revised in November 2024 and is available on the corporate website at <a href="http://www.mhb.com.my">www.mhb.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>	:	<p>The remuneration of the Non-Executive Directors of MHB comprises Directors' Fees and Allowance, received by the respective NEDs of MHB on a named basis for the financial year ended 31 December 2024 is detailed in the MHB IAR 2024 under the Corporate Governance Overview Statement.</p> <p>The Directors' fees and meeting allowances for NINEDs who are employees of MISC Berhad (MISC) and PETRONAS are paid directly to MISC and PETRONAS respectively.</p> <p>The MD &amp; CEO's (who is a secondee from PETRONAS) remuneration package comprise the following:-</p> <ol style="list-style-type: none"> <li>i. Basic Salary The basic salary was recommended by the BNRC and approved by the Board and is fixed for the duration of his contract.</li> <li>ii. Variable Bonus The bonus payable to the MD &amp; CEO is measured against agreed targets and key performance indicators.</li> <li>iii. Benefits-in-Kind <ul style="list-style-type: none"> <li>• A company car and driver.</li> <li>• Miscellaneous allowances together with benefits entitled to the MD &amp; CEO as a PETRONAS employee.</li> </ul> </li> </ol>

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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	Mohammad Suhaimi Mohd Yasin (Chairman)	Independent Director	240,000	49,000	-	-	6000	-	295,000	-	-	-	-	-	-	-
2	Wan Yusoff Wan Hamat	Independent Director	120,000	98000	-	-	6000	-	224,000	-	-	-	-	-	-	-
3	Keith Taylor	Independent Director	120,000	98000	-	-	-	-	218,000	-	-	-	-	-	-	-
4	Mariah Mohamad Said (appointed with effect from 8 May 2024)	Independent Director	77,741.94	56000	-	-	3,387.10	-	137,129.04	-	-	-	-	-	-	-
5	Azhar Noordin (appointed with effect from 8 May 2024)	Independent Director	77,741.94	45,500	-	-	3,387.10	-	126,629.04	-	-	-	-	-	-	-
6	Shamsul Bahar Ahamad Zainal Badri (appointed with effect from 8 May 2024)	Non-Executive Non-Independent Director	77,741.94	35,000	-	-	-	-	112,741.94	-	-	-	-	-	-	-
7	Raja Azlan Shah Raja Azwa	Non-Executive Non-	120,000	80,500	-	-	-	-	200,500.00	-	-	-	-	-	-	-

[Open]

		Independent Director														
8	Zahid Osman <i>(appointed with effect from 19 August 2024)</i>	Non-Executive Non-Independent Director	44,193.55	14,000	-	-	-	-	58,193.55	-	-	-	-	-	-	-
9	Gladys Leong <i>(retired on 18 April 2024)</i>	Independent Director	36,000.00	32,000	Input info here	Input info here	1,800	Input info here	69,300.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Captain Rajalingam Subramaniam* <i>(resigned on 15 August 2024)</i>	Non-Executive Non-Independent Director	74,838.71	31,500	Input info here	Input info here	Input info here	Input info here	106,338.71	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Ausmal Kardin* <i>(retired on 31 August 2024)</i>	Non-Executive Non-Independent Director	80,000.00	73,500	Input info here	Input info here	Input info here	Input info here	153,500.00	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	MHB opts not to disclose the Senior Management's remuneration components (salary, bonus, benefits-in-kind and other emoluments) as it is not in the best interest of the Company and Senior Management personnel.	
		No alternative	
<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>	:	Others	

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.

[Open]

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



[Open]

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

**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>	:	Pursuant to Clause 3.1 of the BAC TOR, the Board shall appoint a Chairman of the BAC from among the BAC members who must be an INED and not the Chairman of the Board. Puan Mariah Mohamad Said, is the Chairperson of BAC.	
<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>	:	<p>The Board Audit Committee's TOR provides that a former partner of the external audit firm of MHB observe a cooling-off period of at least three (3) years before being appointed as a member of the Board Audit Committee.</p> <p>The TOR of the BAC is available on the MHB's corporate website at <a href="http://www.mhb.com.my">www.mhb.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**

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>MHB has an established process for the assessment of external auditors.</p> <p>The assessment of suitability, objectivity and independence of the external auditors is carried out on an annual basis as provided in the TOR of the BAC.</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>	:		

[Open]

**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> :	Not Adopted
<b>Explanation on adoption of the practice</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, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The members of MHB's BAC possess the necessary skills and experience in accounting, finance and other relevant fields of expertise. They are financially literate and able to understand matters under the purview of the BAC.</p> <p>The profiles of the BAC members and details of training attended by them are disclosed in the MHB IAR 2024 which is available on the MHB's corporate website at <a href="http://www.mhb.com.my">www.mhb.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**

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>In discharging its responsibilities, the Board is supported by BSRC and BAC to oversee the risk management and internal control system during FY2024.</p> <p><u>Effective Risk Management</u> MHB has adopted the MISC Enterprise Risk Management (ERM) Framework to ensure all business risks are prudently identified, evaluated and managed in accordance with acceptable international standards, principles and guidelines on risk management. The Board further affirms its overall responsibility for reviewing the adequacy and integrity of the Group's risk management and internal control systems.</p> <p>The Board has delegated the responsibilities to BSRC to oversee MHB's risk management framework, policy and practices. The BSRC reviewed and evaluated MHB's risk profile on a quarterly basis to ensure risks are effectively monitored and managed. The BSRC also reviewed and evaluated risk assessment for project bid proposals and other decision papers.</p> <p><u>Internal Control Framework</u> The Board acknowledges the importance of maintaining a sound internal control system and a robust risk management practice for good corporate governance with the objective of safeguarding the shareholders' investment.</p> <p>BAC is tasked with overseeing MHB's internal control system. MHB has established clear, formalised, and well-documented internal policies, standards, and procedures to ensure compliance with internal controls and relevant laws and regulations. This enables the Company to operate effectively and efficiently, and to proactively address potential business, operational, financial, compliance, and other risks in achieving the Group's goals and objectives.</p>
<b>Explanation for departure</b>	:	

[Open]

<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 10.2**

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>MHB Group implements a systematic risk management framework as provided under Practice 10.1 which is adopted from the MISC Enterprise Risk Management Framework to identify, evaluate and manage the Group's principal risks. MHB also has a strong internal control system in place to ensure the smooth running of the business.</p> <p>The BSRC and BAC have discharged their functions on providing guidance and oversight with respect to the risk management and internal control framework of MHB.</p> <p>The Board disclosed the details in relation to the activities and risk management framework and internal control system of the Company in the Statement of Risk Management and Internal Control on pages 193-204 of the MHB IAR 2024.</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 BSRC, which oversees the Company’s risk management framework and policies, consists of four (4) Non-Executive Directors, the majority of whom are Independent Non-Executive Directors. The details of the members of BSRC are set out in the Company’s IAR 2024 under the BSRC Report.</p> <p>The TOR of the BSRC is available on the MHB’s corporate website at <a href="http://www.mhb.com.my">www.mhb.com.my</a></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 of MHB is carried out in-house by the Group Internal Audit Department (GIA).</p> <p>The MHB GIA, which reports directly to the BAC, performs scheduled approved audits and initiatives within the Group to evaluate and assess the effectiveness of risk management, internal control, governance processes and compliance procedures. The GIA also conducts additional assurance assignments, and special reviews arising from any potential irregularities upon request by Management or the BAC.</p> <p>The BAC reviews, deliberates and endorses the annual audit plan and strategy including the scope of work and resources. Results of the audit engagement are presented and deliberated during quarterly BAC meetings. The Group focuses on the disciplined execution of audit plans, submission of audit findings, recommendations on audit issues and close follow-up of the Agreed Corrective Actions (ACAs), which are encompassed in the audit reports. The GIA monitors the status of implementation of these ACAs through the Quarterly Audit Status Report which they will record and analyse. The consolidated reports are submitted and presented to the BAC for deliberations and endorsement on a quarterly basis. In addition, the BAC conducts half-yearly and yearly reviews and assessments on the adequacy of GIA's scope of work, functions and resources including its annual plan and strategy. The conduct of internal audit work is governed by the Internal Audit Charter and the Internal Audit Charter Memorandum.</p> <p>The activities carried out by the BAC of MHB in relation to internal audit functions during the year under review are set out in the Company's IAR 2024 under the BAC 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>	:	

[Open]

<b>Timeframe</b>	:		
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**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>	:	The detailed disclosures in relation to the above Practice 11.2 can be referred to the BAC Report set out from pages 187 to 188 of the Company’s IAR 2024.	
<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 12.1**

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 of MHB takes cognisance of the importance of effective, transparent and regular communication with the stakeholders.</p> <p>The Company is committed to consistently disclosing and disseminating timely information to its shareholders and the investment community to enhance their understanding of the Company and facilitate well-informed investment decisions. Information released by the Company is publicly accessible through Bursa Malaysia announcements and can also be found on the Company's corporate website at <a href="http://www.mhb.com.my">www.mhb.com.my</a></p> <p>Other than the AGM as the principal forum of dialogue with the shareholders, the Company also uses the following forum for communication between the Company and its other stakeholders:</p> <ul style="list-style-type: none"> <li>• The Company's other general meetings (if any);</li> <li>• Quarterly financial statements and annual reports;</li> <li>• Announcements on major developments to Bursa Malaysia;</li> <li>• The Company's corporate website at <a href="http://www.mhb.com.my">www.mhb.com.my</a>; and</li> <li>• Half yearly briefing sessions between the Company's Management and analysts/investors.</li> </ul> <p>Further details on the Company's investor relations activities are set out in the Company's IAR 2024 under the Corporate Governance Overview Statement.</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>	:	

[Open]

<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 12.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	MHB has started adopting the integrated reporting framework since 2022. Company's IAR 2024 has been further enhanced with reporting approach and disclosures in line with the Framework, a globally recognised framework. The IAR 2024 is available on the MHB's corporate website at <a href="http://www.mhb.com.my">www.mhb.com.my</a>	
<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>	:	<p>The notice of MHB's 35th AGM held on 18 April 2024 was issued on 14 March 2024, more than 28 days prior to the meeting, along with the AGM Administrative Guide and Proxy Form (35th AGM Documents) to give shareholders sufficient time to make necessary arrangements to attend and participate in person or through corporate representatives or proxies.</p> <p>In addition, the notes to the Notice of the 35th AGM provided detailed explanations of each resolution proposed. These enabled shareholders to make informed decisions about exercising their voting rights while the AGM Administrative Guide provided the shareholders with the guidelines, rules and procedures of the AGM.</p> <p>The 35th AGM Documents were made available on MHB's corporate website at <a href="https://mhb.com.my/investor-relations/">https://mhb.com.my/investor-relations/</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**

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 MHB Directors have attended the 35th AGM in 2024 either from the broadcast venue or virtually.</p> <p>The Board endeavours to provide clear and meaningful responses to questions posed to them by shareholders at the AGM.</p> <p>The 35th AGM was conducted entirely via Remote Participation and Electronic Voting (RPEV) facilities which provided opportunities for the shareholders, proxies and Corporate Representatives to participate in the 35th AGM in real time. Through RPEV facilities, the shareholders, proxies and Corporate Representatives were allowed to submit their questions or comments relating to the Company's 35th AGM agenda as stated in the notice of meeting prior to and during the meeting. All pertinent questions were responded to by the Board and Senior Management during the 35th AGM. All questions submitted, together with the Company's responses, were uploaded to the Company's corporate website after the general meeting.</p> <p>Questions raised by the Minority Shareholders Watch Group (MSWG) prior to the 35th AGM together with the Company's responses were also shared with shareholders during the meeting.</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>MHB had, on 18 April 2024 conducted its 35<sup>th</sup> AGM via the Boardroom Smart Investor Portal virtual meeting platform to facilitate remote participation and voting in absentia.</p> <p>Shareholders are encouraged to attend, participate, speak and vote at the Company's general meetings. In view to encouraging participation of remote shareholders and ensuring cyber-hygiene at the virtual AGM, the Company has in place the following measures:-</p> <ul style="list-style-type: none"> <li>• Issued a comprehensive Administrative Notes as guidance to shareholders</li> <li>• Enabled electronic lodgement of Form of Proxy</li> <li>• Broadcasted the AGM proceeding via a web portal and mobile application</li> <li>• Addressed the questions raised by the Minority Shareholders Watch Group (MSWG) and the responses at the AGM</li> <li>• Enabled questions from shareholders to be submitted through the virtual AGM platform or via email</li> <li>• The MD &amp; CEO presented the business and financial highlights prior to the AGM proceedings and responded to the questions received from shareholders wherein the compilation of questions and answers is available on the website at <a href="http://www.mhb.com.my">www.mhb.com.my</a></li> </ul>
<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>	:	

[Open]

<b>Timeframe</b>	:		
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**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>	: <p>The Chairman has successfully created a meaningful engagement between the Board, Senior Management and Shareholders throughout 35th AGM.</p> <p>The general meeting started with a briefing on the Company's financial performance, project delivery status and a brief on the Company's long-term strategies.</p> <p>Shareholders were welcome to pose questions to the Board and Senior Management relating to the 35th AGM matters or the Company either via the Investor Relation platform or by posting them on the day of the AGM itself. The Board provided clear and meaningful responses to questions posed by shareholders at the AGM. The questions posed by the Shareholders and the answers provided by the Board and Senior Management during the AGM were uploaded to MHB's website.</p> <p>The questions submitted by the MSWG together with MHB's responses were also presented during the 35th AGM and are available on the Company's corporate website at <a href="http://www.mhb.com.my">www.mhb.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>	:

[Open]

<b>Timeframe</b>	:		
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**Intended Outcome**

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

**Practice 13.5**

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	MHB conducted its 35th AGM on 18 April 2024 via the Smart Boardroom Investor Portal virtual meeting platform to facilitate shareholders’ remote participation and voting in absentia.  The LUMI platform was accessible to all shareholders and allowed active participation/engagement of shareholders with the Board of Directors and Senior Management. At the 35th AGM, MHB made shareholders’ questions visible to all meeting participants.
<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 35th Annual General Meeting which was held on 18 April 2024 was uploaded in the MHB’s corporate website within 30 business days.
<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>	:	



[Open]

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

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

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