

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5186
COMPANY NAME : Malaysia Marine and Heavy Engineering Holdings Berhad
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors (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">(1) Board Audit Committee (BAC)(2) Board Nomination & Remuneration Committee (BNRC); and(3) Board Sustainability & Risk Committee (BSRC). <p>The Board Charter and the TOR for the respective Board Committees are available on MHB's corporate website at: https://mhb.com.my/about/#corporate-governance</p> <p>The Board together with Senior Management, promote good corporate governance culture within the company which reinforces ethical, prudent and professional behaviour</p> <p>The Group has policies and procedures in place that promote a culture of good governance and ethical, prudent, and professional behaviour.</p>

Such policies include the Code of Conduct and Business Ethics for Directors and Employee and procedures on Whistleblowing.

Review, challenge and decide on Management’s proposals for the company and monitor its implementation by Management

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.

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

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.

The Board emphasises 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.

The Annual Business Plan was developed based on feedback and discussions during the Board Strategic Conversation held in August 2025. The Board Strategic Conversation establishes the organisation’s long-term strategic focus – including growth priorities, transformation programmes, portfolio direction, yard uplift requirements, technology adoption and capability development. These priorities are then translated into concrete annual targets, initiatives and execution plans within the 2026 Annual Business Plan.

The Board approved the MHB Business Plan for FY 2026 – 2030 and Budget for FY 2026 on 24 October 2025.

Supervise and assess Management performance to determine whether the business is being properly managed

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.

The performance of the Senior Management was assessed by the BNRC and subsequently approved by the Board.

Ensure there is a sound framework for internal controls and risk management

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.

The Board, through the BSRC and the BAC, oversees the adequacy and integrity of the Group's risk management and internal control systems. The BSRC is responsible for providing oversight of the Group's risk management framework, supported by the Risk Council (RC), a Management-level committee that reviews and monitors risk exposures and reports to the BSRC. In parallel, the BAC oversees the effectiveness of the Group's internal control system by reviewing key internal audit findings, management's responses and corrective actions, and ensuring the maintenance of a risk-based audit plan, adequate resources and an independent audit environment. The BAC also evaluates financial reporting controls, related party transaction processes and other governance-related controls as part of its oversight responsibilities.

Understand the principal risks of the Company's business and recognise that business decisions involve taking of appropriate risks

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.

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

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 2025 (IAR 2025).

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.

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

Through the 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.

Ensure that the Company has in place procedures to enable effective communication with stakeholders

The Board takes cognizance of the importance of effective and timely communication with the Company's stakeholders. Further details on the Company's efforts in stakeholder communication can be found in the Engaging with Stakeholders section on pages 40 to 49 of the IAR 2025.

Ensure that all its Directors are able to understand financial statements and form a view on the information presented

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 2025, two (2) of the Board members, Mariah Mohamad Said and Shamsul Bahar Ahamad Zainal Badri are qualified accountants and members of the Malaysia Institute of Accountants. In addition to

	<p>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> <p>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.</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 Chief Internal Audit and the Managing Director & Chief Executive Officer (MD & CEO) 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>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The position of the Chairman of the Board is held by an Independent Non-Executive Director, 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 186 of the IAR 2025.</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">• instilling good corporate governance practices, leadership and effectiveness of the Board;• setting the agenda for each Board meeting together with the Company Secretary and MD & CEO;• leading the Board and general meetings and discussions;• encouraging active participation and allowing dissenting views to be freely expressed;• leading the Board in setting and monitoring good corporate governance practices, values and standards in the Company;• maintaining a relationship of trust with and between the Executive Director (ED) and Non-Executive Directors (NEDs);• facilitating the effective contribution of NEDs and ensuring constructive relations to be maintained between ED and NEDs; and• ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole. <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 www.mhb.com.my</p>
Explanation for departure	:	
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Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the principles of good corporate governance, the roles of Chairman of the Board and MD & 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>Mohammad Suhaimi Mohd Yasin, an Independent Non-Executive Director is the Chairman of MHB whilst Mohd Nazir Mohd Nor is the MD & CEO.</p> <p>The Chairman</p> <p>Mohammad Suhaimi Mohd Yasin is primarily responsible for carrying out the leadership role in the conduct of the Board, MD & CEO and Management. He also leads the Board in its collective oversight of Management.</p> <p>Since his appointment as the 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>MD & CEO</p> <p>The role of the MD & 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 & CEO also develops business, and short to long term plans in collaboration with the Board. The MD & CEO is accountable to the Chairman of the Board and reports to the Board on a regular basis.</p> <p>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 & CEO are clearly stated in the Board Charter which is available on Company's corporate website at www.mhb.com.my</p>

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

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman of the Board is neither a member nor permanent invitee of the BAC, BNRC and BSRC.</p> <p>The Board Charter and ToR of the respective Board Committees explicitly prohibit 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>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	: Applied								
Explanation on application of the practice	<p>The Board is supported by two (2) qualified Company Secretaries. Both Shahrin Albakri Mustafa Albakri and Haniza Sabaran are qualified to act as Company Secretaries under Section 235(2) of the CA 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"> • 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; • facilitating the recruitment and onboarding of new Directors and assisting in Directors' continuous training and development; • advising the Board on corporate disclosures and compliance in relation to the CA 2016, securities regulations and listing requirements; • managing processes pertaining to the annual shareholders' meeting; • monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and • serving as the focal point for stakeholders' communication and engagement on corporate governance issues. <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 (MCCG), the CA 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>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>The Essence of Meetings, Minutes and Resolutions and Understanding</td> <td style="text-align: center;">Malaysia Association of Company</td> <td style="text-align: center;">24.05.2025</td> </tr> </tbody> </table>	No	Training	Organiser	Date	1.	The Essence of Meetings, Minutes and Resolutions and Understanding	Malaysia Association of Company	24.05.2025
No	Training	Organiser	Date						
1.	The Essence of Meetings, Minutes and Resolutions and Understanding	Malaysia Association of Company	24.05.2025						

	Employment Law from a Company Secretary's Perspective	Secretaries (MACS)	
2.	Human Performance Improvement (HPI) Training 2025	MISC Berhad (MISC)	11.09.2025
3.	Service Tax Updates & Implementation and Rights of Shareholders	MACS	20.09.2025
4.	MISC Group Directors' Training 2025 (Session 2) - Artificial Intelligence (AI) Leadership Playbook - Latest Sanctions and Export Control Outlook and Its Impact on the Maritime Industry	MISC	29.09.2025
5.	Speak Up & Play Fair: Building a Culture of Integrity	MHB	22.10.025
6.	MHB FY2026 Corporate Scorecard Development Workshop	MHB	27.10.2025
7.	Insurance Workshop: Incoterms 2020, Shipping Import & Export Documentation and Procedures.	MHB	30.10.2025

2. Haniza Sabaran

No	Training	Organiser	Date
1.	MISC Group Directors Training (Session 1) - Revolutionising Marine Technology through Artificial Intelligence Global Economy, Geopolitical Conflicts and the Oils & Gas Market Environment	MISC	19.06.2025
2.	Living the MISC Culture Workshop	MISC	26.06.2025
3.	Leadership EDGE Workshop	MHB	25.07.2025
4.	MISC Group Directors Training (Session 2)	MISC	29.09.2025

		- Artificial Intelligence (AI) Leadership Playbook - Latest Sanctions and Export Control Outlook and Its Impact on the Maritime Industry		
	5.	2025 MISC COBE	MISC	08.11.2025
	6.	Functional Competency	MHB	27.11.2025
	7.	MHB WAY e-Learning	MHB	05.12.2025
<p>In this regard, the Board is supported by qualified Company Secretaries who provide guidance on governance and regulatory compliance, manage Board and Committee meeting processes, maintain accurate minutes and records, and facilitate director induction and ongoing training. They oversee corporate disclosures, support the conduct of general meetings, monitor governance developments, and act as the focal point for stakeholder communication on governance matters.</p>				
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:			

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>To support the Directors in fulfilling their duties efficiently, a meeting Calendar (the Calendar) is prepared at the outset of each financial year. This Calendar, together with meeting placeholders, is circulated in advance, detailing the scheduled dates for Board meetings, Board Committee meetings, the Annual General Meeting (AGM), and the Board Strategic Conversation event.</p> <p>Additionally, a provisional agenda is drafted ahead of each new year, listing the anticipated discussion items for every scheduled Board and Board Committee meeting throughout the year.</p> <p>The Board and Board Committee schedule of meetings, along with the tentative agenda, are presented to the Board and its Board Committees for information. This approach assists both the Board and Management in planning and preparing relevant matters for discussion at the meetings arranged for the year.</p> <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</p>

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board'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 & 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 www.mhb.com.my</p> <p>In addition, the matters reserved for the Board, MD & CEO and Management are set out in the Limits of Authority Manual.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The 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 behavior 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.</p> <p>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">• CoBE Guide• CoBE for Third Parties• Anti-Bribery and Corruption Policy• Integrity Anti Bribery Management System Manual• Corporate Privacy Policy• Conflict of Interest• Competition Law Guidelines• Sanctions & Export Control Guidelines• Raid Protocol• Human Rights Policy

	The MHB CoBE and above-mentioned policies are publicly available on the MHB's corporate website at www.mhb.com.my	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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">• To provide avenues for employees and the public to report misconduct that has occurred or is about to occur within the Group.• To assure the Whistleblower that protection will be provided under the Whistleblower Policy, provided the report is made in good faith.• To establish a formal mechanism for acting on all reports received. <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 & 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 www.mhb.com.my.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>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>
Explanation for departure	:	

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Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensuring the sustainability efforts of the Company are communicated to its internal and external stakeholders.</p> <p>MHB's IAR 2025 includes a Sustainability Statement that discloses the Company's sustainability strategies, priorities, targets, and performance. It serves as the primary main communication tool for MHB's sustainability matters 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 98 to 185 of the Company's IAR 2025 which is available on the MHB's corporate website at www.mhb.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<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"> • Carbon Markets: An Introduction to Carbon Credits, Trends, and its Relevance to the Company • Implementing Generative Health, Safety and Environment (HSE) Culture: A Top-Down Approach <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>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p><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 2025 vis-à-vis the KPI for Scope 1 & 2 carbon emission intensity reduction, Health and safety performance, and governance-related performance.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>MHB has a designated Corporate Sustainability Department headed by a Senior Manager, Corporate Sustainability who 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 managesustainability strategically, including the integration of sustainability considerations in the operations of the Company, and ensuring compliance with applicable sustainability standards and disclosure requirements.</p> <p>During the financial year, key actions undertaken include:</p> <ul style="list-style-type: none">• Sustainability Strategy: Managing the development and implementation of sustainability strategies aligned with the MHB Sustainability Framework and reporting progress to the Management Committee and BSRC.• Climate Action: Tracking and monitoring greenhouse gas emissions intensity reduction for Scope 1 and Scope 2, and updating data inventory for Scope 3• Stakeholder Engagement: Conducting stakeholder engagement programs and awareness campaigns to promote a sustainability culture across the organisation.• Supply Chain: Implementing the Responsible Supply Chain Programme to encourage sustainable practices among suppliers.• Human Rights: Strengthening human rights practices by conducting awareness sessions for employees and suppliers.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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><u>Reviewing and Assessing Retiring Directors prior to Re-election</u></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. Raja Azlan Shah Raja Azwa was re-elected at the 36th AGM held on 17 April 2025 pursuant to Rule 21.8 of the Company's Constitution, whilst the following directors were re-elected to Rule 21.7 of the Company's Constitution:</p> <ul style="list-style-type: none">(i) Mariah Mohamad Said;(ii) Azhar Noordin;(iii) Shamsul Bahar Ahamad Zainal Badri; and(iv) Zahid Osman. <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">(i) the Directors' fitness and propriety with reference to the Directors' Fit and Proper Policy of the Company;(ii) the Directors' performance and contribution based on the Board Effectiveness Evaluation and Individual Directors' Performance Assessment for the financial year ended 2024 results;(iii) the outcome of the Conflict-of-Interest Assessment reviewed by the BAC; and(iv) Time Commitment and Contribution.

	<p><u>Refreshing the Board's composition</u></p> <p>Following the resignation of Wan Yusoff Wan Hamat and Keith Taylor, the BNRC facilitated by Company Secretaries, initiated the process of recruitment of the new directors. This initiative was undertaken to ensure continued compliance with corporate governance requirements and maintain the effectiveness and continuity of the Board and its committees.</p> <p>The BNRC is guided by its TOR, the Constitution, MMLR, MHB Fit and Proper Policy and MCCG 2021 Best Practices in considering the suitability of the candidate.</p> <p>During November and December 2025, the BNRC recommended the appointment of two (2) new Independent Non-Executive Directors, namely Mohammad Salmi Abdullah and Puspa Hanita Abdul Aziz, to the MHB Board. The selection process included a formal engagement session with each candidate and a detailed review of their qualifications and experience. Following this thorough process conducted at BNRC level, the Board reviewed and approved the appointments of both directors, thereby reinforcing the Board's commitment to strong governance and continued operational excellence.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>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>As of 31 December 2025, the Board composition of the Company complies with Paragraphs 15.02 of the MMLR, of which:</p> <p>a) Five (5) are Independent Non-Executive Directors:</p> <ol style="list-style-type: none">1. Mohammad Suhaimi Mohd Yasin2. Mariah Mohamad Said3. Azhar Noordin4. Mohammad Salmi Abdullah <i>(appointed on 14 November 2025)</i>5. Puspa Hanita Abdul Aziz <i>(appointed on 18 December 2025)</i> <p>Notes:</p> <ol style="list-style-type: none">1. Wan Yusoff Wan Hamat resigned on 12 September 20252. Keith Taylor resigned on 14 November 2025 <p>b) Three (3) are Non-Independent Non-Executive Directors:</p> <ol style="list-style-type: none">1. Zahid Osman2. Shamsul Bahar Ahamad Zainal Badri3. Raja Azlan Shah Raja Azwa <p>c) One (1) is Non-Independent Executive Director:</p> <ol style="list-style-type: none">1. Mohd Nazir Mohd Nor <p>All five (5) Independent Non-Executive Directors which constituted 56% of the Board composition satisfied the independence criteria under the MMLR.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p><u>Board Succession Planning and Appointment</u></p> <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. 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 under Paragraph 2.20A of the MMLR. 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> <p><u>Senior Management Succession Planning and Appointment</u></p> <p>Succession planning is a key strategic initiative designed to ensure leadership continuity, strengthen the leadership pipeline, and support the long-term sustainability of the organisation. Its implementation is guided by the approved Succession Planning Framework, which provides a structured and disciplined approach to identifying, assessing, and developing internal talent for critical leadership roles.</p> <p>Under this framework, identified successor candidates are thoroughly deliberated and approved by the People Development Committee (PDC), chaired by the MD & CEO. Talents are assessed against clearly defined position specifications, including qualifications and experience, performance history and demonstrated leadership capabilities.</p> <p>The appointment of Senior Management positions is governed by the PDC and approved by the MD & CEO. Appointments to the Management Committee are subject to recommendation by the BNRC</p>

	and require approval by the Board, ensuring strong governance, transparency, and alignment with organisational objectives.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>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, Management has been actively exploring potential candidates to fill the vacancy left by Wan Yusoff Wan Hamat and Keith Taylor which includes outreach through the Institute of Corporate Directors Malaysia. As part of these efforts, the Chairman of the Board has nominated the Independent Non-Executive Directors for consideration.</p> <p>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&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&P Policy for the appointment and re-election of Directors is made available on MHB's corporate website at www.mhb.com.my/about/#corporate-governance</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the year under review, the BNRC thoroughly evaluated and assessed the re-election of directors. This review was conducted in accordance with the F&P Policy, considering factors such as time commitment, assessment of independence (specifically for Independent Directors), potential conflicts of interest, and the results of the Board Effectiveness Evaluation. Following this comprehensive process, the BNRC recommended the following directors for re-election:</p> <p>Rule 21.8 of the Company's Constitution (i) Raja Azlan Shah Raja Azwa</p> <p>Rule 21.7 of the Company's Constitution (i) Mariah Mohamad Said; (ii) Azhar Noordin; (iii) Shamsul Bahar Ahamad Zainal Badri; and (iv) Zahid Osman.</p> <p>All the retiring directors above had abstained himself from deliberation and decision at both the Board and BNRC meetings on his proposed re-election.</p> <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 profiles of the Directors of MHB are published in the IAR 2025 and on MHB's corporate website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in MHB if any, to assist them in making an informed decision on the re-election of Directors.</p> <p>The shareholders were given sufficient information about the Directors who were standing for re-election (name, age, gender,</p>

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

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>Pursuant to Paragraph 3.1 of the ToR of BNRC, the Chairman of the BNRC must be an Independent Non-Executive Director, ensuring impartial leadership in line with best governance practices.</p> <p>From January until 12 September 2025, the BNRC was ably chaired by Wan Yusoff Wan Hamat, who served as an Independent Non-Executive Director. His tenure brought stability and objective oversight to the BNRC.</p> <p>Following Wan Yusoff Wan Hamat's resignation on 12 September 2025, Azhar Noordin was appointed as a member of the BNRC effective 15 October 2025 and subsequently took on the role of Chairman of BNRC, providing further assurance of the committee's independent leadership.</p> <p>Subsequently, with the appointment of Puspa Hanita Abdul Aziz as an Independent Non-Executive Director and member of the BNRC on 18 December 2025, the Board redesignated Azhar Noordin from Chairman to member, and Puspa Hanita Abdul Aziz assumed the role of BNRC Chairman. This transition continued to reflect the company's commitment to sound governance and objective decision-making through independent leadership.</p> <p>For further details on Puan Puspa Hanita Abdul Aziz's credentials and experience, her profile is available on page 190 of the IAR 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As of 31 December 2025, MHB has two (2) woman directors which represents 22% 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.	
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	One of the criteria for the ongoing Board search is gender of the candidate	
Timeframe	:	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.

Application	:	Applied	
Explanation on application of the practice	:	<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 www.mhb.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>MHB conducts its Board Evaluation Effectiveness (BEE) exercise on an annual basis.</p> <p>The BEE for financial year 2025 (BEE 2025) was carried out by an independent consultant namely Spencer Stuart & Associates (Singapore) Pte Ltd (Spencer Stuart) and the assessment was completed in December 2025. The evaluation process was carried out via online questionnaire and survey and were circulated to all directors for completion. The assessment included reviews on the Board’s required mix of skills, experiences, and participation on Board deliberations among others.</p> <p>The assessment results and outcomes were collated, evaluated, and assessed based on the feedback gathered from the completed questionnaires and Individual Style Profile (ISP) survey.</p> <p>Overall, the BEE 2025 findings indicated that MHB’s Board is regarded as professional, engaged, and committed to supporting the company’s transformation and long-term success. Directors and Management acknowledged material progress in governance discipline, constructive dialogue, and Board–Management alignment, which has strengthened overall Board performance through the operational turnaround.</p> <p>The analysis of the BEE 2025 results and feedback from the Board and Board Committee members and selected Senior Management were presented to the BNRC for recommendations to be presented to the Board for information.</p> <p>The disclosures on the BEE 2025 may be referred to in the BNRC Report on page 219 of the Company’s IAR 2025.</p>

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration for MHB's Non-Executive Directors is determined in accordance with the PETRONAS Public Listed Companies (PLC) Non-Executive Directors' Remuneration Guidelines and Packages. Remuneration for Senior Management is set based on salary bands that are benchmarked against industry standards.</p> <p>The PETRONAS PLC Non-Executive Directors' Remuneration Guidelines and Packages were revised in January 2025, following which MHB adopted the updated Remuneration Framework for its Non-Executive Directors.</p> <p>MHB's Directors' Remuneration Framework (DRF) is aligned with the PETRONAS Guidelines on Remuneration for Non-Executive Directors of PETRONAS Public Listed Companies.</p> <p>During the year under review, the Board approved the remuneration policies and packages for Non-Executive Directors, ensuring they reflect responsibilities, performance, experience and the Company's overall performance. The revised fees for the Non-Executive Directors have been approved by the shareholders at the 36th AGM held on 17 April 2025.</p> <p>Further information on the above remuneration structure is set out in the Corporate Governance Overview Statement of the Company's IAR 2025, which is available on the corporate website at www.mhb.com.my</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee and its functions reside within the BNRC of MHB, which comprises exclusively Non-Executive Directors. The majority of its members are Independent Non-Executive Directors, and the BNRC 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 www.mhb.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration of the Non-Executive Directors of MHB comprises Directors' Fees and Benefits, received by the respective NEDs of MHB on a named basis for the financial year ended 31 December 2025 are detailed in the MHB IAR 2025 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 & CEO's (who is a secondee from PETRONAS) remuneration package comprise the following:-</p> <ol style="list-style-type: none">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.ii. Variable Bonus The bonus payable to the MD & CEO is measured against agreed targets and key performance indicators.iii. Benefits-in-Kind<ul style="list-style-type: none">• A company car and driver.• Miscellaneous allowances together with benefits entitled to the MD & CEO as a PETRONAS employee.

No	Name	Directorate	Company (RM)							Group (RM)						
			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	288,000	31,500	-	-	6000	-	325,500	-	-	-	-	-	-	-
2	Mariah Mohamad Said	Independent Director	144,000	66,500	-	-	6,000	-	216,500	-	-	-	-	-	-	-
3	Azhar Noordin	Independent Director	144,000	66,500	-	-	6,000	-	216,500	-	-	-	-	-	-	-
4	Mohammad Salmi Abdullah (appointed with effect from 14 November 2025)	Independent Director	18,800	3,500	-	-	783.33	-	23,083.33	-	-	-	-	-	-	-
5	Puspa Hanita Abd Aziz (appointed with effect from 18 December 2025)	Independent Director	5,419.40	-	-	-	225.80	-	5,645.20	-	-	-	-	-	-	-
6	Shamsul Bahar Ahamad Zainal Badri	Non-Executive Non-Independent Director	144,000	42,000	-	-	-	-	186,000	-	-	-	-	-	-	-
7	Raja Azlan Shah Raja Azwa	Non-Executive Non-Independent Director	144,000	80,500	-	-	-	-	224,500	-	-	-	-	-	-	--
8	Zahid Osman	Non-Executive Non-Independent Director	144,000	31,500	-	-	-	-	175,500	-	-	-	-	-	-	-
9	Mohd Nazir Mohd Nor	Executive Director	-	79,800	992,976	366,140	10,280	-	1,449.196	-	-	-	-	-	-	-

10	Wan Yusoff Wan Hamat <i>(resigned on 12 September 2025)</i>	Independent Director	100,400	59,500	-	-	6,000	-	165,900	-	-	-	-	-	-	-
11	Keith Taylor <i>(resigned on 14 November 2025)</i>	Independent Director	125,200	63,000	-	-	-	-	188,200	-	-	-	-	-	-	-
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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	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>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	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.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied	
Explanation on application of the practice	:	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 Independent Non-Executive Director and not the Chairman of the Board. Mariah Mohamad Said, an Independent Non-Executive Director, is the Chairperson of BAC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The BAC'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 BAC.</p> <p>The ToR of the BAC is available on the MHB's corporate website at www.mhb.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>MHB has comprehensive policies and procedures to assess the suitability, objectivity, and independence of its external auditors. The assessment is conducted annually by the BAC in accordance with its ToR. The evaluation covers:</p> <ul style="list-style-type: none"> • Audit quality and competence of the audit team; • Resource capacity to ensure timely and effective audit delivery; • Independence safeguards, including review of any relationships or services that may impair objectivity; • Appropriateness of audit fees to support a high-quality audit without compromising independence; • Approval process for non-audit services, requiring prior BAC approval and assessment of nature, extent, and fee level to avoid assuming management responsibilities; • Written assurance of independence obtained from the external auditor for each engagement; and • Annual performance evaluation of the external auditor, with documented follow-up actions where necessary. <p>These policies are embedded in the BAC TOR and reviewed annually. The company also discloses the external auditor's tenure and any non-audit services in its annual report to ensure transparency.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	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. The profiles of the BAC members and details of training attended by them are disclosed in the Company's IAR 2025 which is available on the MHB's corporate website at www.mhb.com.my
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>In discharging its responsibilities, the Board is supported by BSRC and BAC to oversee the risk management and internal control system during FY2025.</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>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>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 229 to 242 of the Company’s IAR 2025.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The BSRC, which oversees the Company's risk management framework and policies, consists of three (3) 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 2025 under the BSRC Report.</p> <p>The ToR of the BSRC is available on the MHB's corporate website at www.mhb.com.my</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.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of MHB is carried out in-house by the - Internal Audit Division (IA).</p> <p>The MHB IA, 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 IA 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 IA 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.</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 2025 under the BAC Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	

Timeframe	:		
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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.

Application	:	Applied	
Explanation on application of the practice	:	The detailed disclosures in relation to the above Practice 11.2 can be referred to the BAC Report set out from pages 223 to 226 of the MHB’s IAR 2025.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 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 www.mhb.com.my</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">• The Company's other general meetings (if any);• Quarterly financial statements and annual reports;• Announcements on major developments to Bursa Malaysia;• The Company's corporate website at www.mhb.com.my; and• Half yearly briefing sessions between the Company's Management and analysts/investors. <p>Further details on the Company's investor relations activities are set out in the Company's IAR 2025 under the Corporate Governance Overview Statement.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

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

Practice 12.2

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

Application	:	Applied	
Explanation on application of the practice	:	MHB has started adopting the integrated reporting framework since 2022. Company's IAR 2025 has been further enhanced with reporting approach and disclosures in line with the Framework, a globally recognised framework. The IAR 2025 is available on the MHB's corporate website at www.mhb.com.my	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The notice of MHB's 36th AGM held on 17 April 2025 was issued on 17 March 2025 to shareholders at least 30 days before the AGM, well in advance of the requirement under the CA 2016 and MMLR of Bursa Securities.</p> <p>The notice for an AGM is accessible by the shareholders via Bursa Securities' website as well as the Company's website. The said notice is also advertised in one (1) nationally circulated daily newspaper such as The Star.</p> <p>In addition, the notes to the Notice of the 36th AGM provided detailed explanations of each resolution proposed. These enabled shareholders to make informed decisions about exercising their voting rights while the AGM Administrative Notes provided the shareholders with the guidelines, rules and procedures of the AGM.</p> <p>The 36th AGM Documents were made available on MHB's corporate website at https://mhb.com.my/investor-relations/</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All nine (9) Directors, the Company Secretaries and Senior Management attended the 36th AGM held on 17 April 2025 to engage directly with shareholders and to be accountable for their stewardship of the Company. The Company also ensures that the Chair of the BAC and BNRC and other committees are present at the general meeting and provide meaningful responses to the questions addressed to them.</p> <p>The AGM proceedings included addressing all the issues raised by the shareholders regarding the operational and financial performance of the MHB and clarifying the proposed resolutions, before putting them to vote. The Chairman provided comprehensive and satisfactory answers to the questions posed by the shareholders and also explained the rationale of the resolutions.</p> <p>Questions raised by the Minority Shareholders Watch Group (MSWG) prior to the 36th AGM together with the Company's responses were also shared with shareholders during the meeting.</p> <p>The AGM minutes are made available to the shareholders and the public for viewing at the Company's corporate website, www.mhb.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Company did not fully apply the above Practice during the financial year as the general meeting was conducted on a physical basis only, without facilities for remote shareholder participation or voting in absentia. Nevertheless, the Board had taken steps to facilitate effective shareholder participation for shareholders present at the meeting venue through the use of electronic voting.</p> <p>The 36th AGM of MHB was held on 17 April 2025 at an easily accessible venue to encourage high shareholders' attendance. It was the first time MHB convened a physical meeting after four (4) years of virtual AGMs. Shareholders who could not attend the AGM in person had the option to appoint any persons as their proxies to attend, speak and vote on their behalf at the general meetings, in accordance with the relevant provisions of the Constitution. To facilitate effective shareholder engagement, the Company had taken the following measures to ensure that shareholders were able to participate, engage and made informed voting decisions at the AGM:</p> <ul style="list-style-type: none">(i) the AGM was held at an easily accessible venue and at convenient time to encourage high shareholders' attendance.(ii) the Company allowed shareholders who were unable to attend the AGM in person to appoint any persons as their proxies to attend, speak and vote on their behalf at the AGM, in accordance with the relevant provisions of the Constitution.(iii) the Company adopted electronic poll voting at the AGM for greater transparency and efficiency. All shareholders and proxies received a personalised passcode embedded wristband from the Share Registrar upon registration. The poll administrator briefed the shareholders and proxies on the voting procedures, and an independent external party was appointed as scrutineer for the electronic poll voting process.

	(iv) the Company published the minutes of the 36th AGM, including the questions and answers, the voting results, and the resolutions passed, on the Company's website within reasonable time frame.	
	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board is of the view that the adoption of a hybrid AGM for 2026 supports strategic compliance with MCGG recommendations, enhances shareholder engagement through remote participation, delivers operational efficiencies and cost optimisation, and supports sustainability objectives.
Timeframe	:	Others The Board has decided the AGM for 2026 will be conducted be in Hybrid Mode.

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Chairman of the Board ensured that the AGM supported meaningful engagement between the Board, Senior Management and shareholders. The engagement was interactive and included robust discussion on the Company's financial and non-financial performance as well as the Company's long-term strategies. Shareholders were also provided with sufficient opportunity to pose questions during the AGM, and all the questions received a meaningful response from the Board. The AGM proceedings also addressed all the issues raised by the shareholders regarding the operational and financial performance of the MHB and explained the proposed resolutions, before putting them to vote. The Company published the minutes of the AGM, including the questions and answers, the voting results, and the resolutions passed, on the Company website within a reasonable timeframe.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the 36th Annual General Meeting which was held on 17 April 2025 was uploaded in the MHB’s corporate website within 30 business days.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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