

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 8141  
**COMPANY NAME** : MAJUPERAK HOLDINGS BERHAD  
**FINANCIAL YEAR** : December 31, 2023

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is accountable and responsible for the performance and affairs of the Company by overseeing the Group's strategies, policies, and performance.</p> <p>The Board reviews the corporate strategy periodically and assesses the Company's performance in meeting the objectives and goal of the Company. Functions reserved for the Board are clearly stated in the Board Charter besides the discharge of their fiduciary duties. The Board assumes, amongst others, the following duties and responsibilities:</p> <ul style="list-style-type: none"><li>a) to review and approve the strategic business plans together with the budget for the Group;</li><li>b) to review and manage principal risks affecting the Group;</li><li>c) to review the adequacy and integrity of the Group's internal control systems;</li><li>d) to oversee the conduct and the performance of the Group's businesses;</li><li>e) to establish a succession plan;</li><li>f) to approve the appointment of directors and directors' emoluments and benefits in accordance with relevant statutes;</li><li>g) to approve the policies relating to corporate branding, public relations, investor relations, and shareholder communication programmes;</li><li>h) to approve material acquisitions and disposals of undertakings and properties;</li><li>i) to approve major borrowing or giving of security over assets;</li><li>j) to approve material agreements;</li><li>k) to approve changes to the management and control structure within the Group, including key policies, delegated authority limits, etc.; and</li><li>l) to approve the Board Charter and Term of Reference for various Board Committees.</li></ul>

	In order to assist the Board in the discharge of its responsibilities, the Board has also delegated certain responsibilities to other Board committees, namely Audit Committee, Risk Management Committee, Nomination Committee, and Remuneration Committee, which operate within clearly defined terms of reference.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board plays a key role in leading and ensuring the adequacy and effectiveness of the Board's performance and governance practices. He works closely with the Board members in formulating the policy framework and strategies.</p> <p>He regularly seeks the opinions of Board members on matters being deliberated during meetings and ensures that the decisions made are a representation of the Board as a whole. He also works closely with the Group Chief Executive Officer ("GCEO") on significant business issues including succession planning of key positions within the Group.</p> <p>The Chairman cultivates a positive working relationship with the GCEO and the Management. He demonstrates the highest standard of corporate governance practices in setting the tone from the top.</p> <p>The roles and responsibilities of the Chairman have been clearly specified in the Board Charter, which is available on the Company's website at <a href="http://www.majuperak.com">www.majuperak.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The distinct and separate roles and responsibilities of the Chairman and GCEO are provided in the Board Charter, which is available on the Company's website.</p> <p>Datuk Redza Rafiq bin Abdul Razak assumes the position of Chairman of the Board while Encik Syed Agil bin Syed Hashim held the position of GCEO of the Company. Both positions of Chairman and GCEO are held by different individuals.</p> <p>The Chairman is responsible for the oversight, leadership, effectiveness, conduct and governance of the Board. The GCEO of the Company has the overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The GCEO is responsible to ensure due execution of strategic goals, effective operation within the Company, and to explain, clarify and inform the Board on matters pertaining to the Group. The GCEO is supported by the senior management team with their respective scope of responsibilities. The senior management team's performance is assessed by the GCEO based on the approved key performance indexes and then reported to the Board.</p> <p>The division of responsibilities between the Chairman and GCEO is clearly articulated in the Company's Board Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Chairman is not a member of Audit Committee, Nomination Committee, or Remuneration Committee.  The Chairman also was not invited and participated in all of these committees' meetings held during the financial year ended 31 December 2023.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Prior to each Board meeting, directors are given an agenda and a full set of Board papers for each agenda item prepared and presented in a concise and comprehensive manner so that the directors have a proper and relevant depiction of the issues to be discussed at the meeting. This is issued in sufficient time to enable the directors to obtain further explanations, where necessary.  The agenda of the meeting is circulated to the members of the Board at least 7 days prior to the Meeting and the full set of Board papers for each agenda item together with the minutes of the previous meeting are circulated at least 5 working days prior to the Meeting, on availability.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>An annual calendar of Board Meetings, Board Committees meetings and the Annual General Meeting is circulated in advance of each new year in order to facilitate the Directors in discharging their responsibilities efficiently.</p> <p>The Notice of the Board and Board Committees meetings are sent to the Directors via email at least seven days before the Meetings and full sets of the Board papers are circulated via email at least five days before the Meetings. This enables the Directors to have sufficient time to peruse the Board papers and seek clarifications or further details from the related party.</p> <p>The deliberations and decisions at Board and Board Committees meetings are well recorded in the minutes. The minutes of the Meetings are circulated to all Directors and tabled for confirmation at the next meeting. The minutes of Meetings are duly signed by the Chairman and properly kept at the Registered Office.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has formalised a Board Charter which clearly set out the composition, roles and responsibilities of the Board and Board committees and the processes and procedures for convening their meetings. The Board Charter serves as a reference providing prospective and existing members of the Board and management insight into the fiduciary duties of directors.</p> <p>The details of the Board Charter are available for reference on the Company's website at <a href="http://www.majuperak.com.my">www.majuperak.com.my</a>.</p> <p>The Board Charter identifies the issues which required the decision of the Board, defines and clearly separates the roles of the Chairman and GCEO, board meeting processes and continuing education and development of the directors.</p> <p>The Board shall review the Board Charter on a regular basis to keep up to date with changes in Bursa Malaysia Securities Berhad's Main Market Listing Requirements, other regulations and best practices and ensure its effectiveness and relevance to Board's objectives.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to create a corporate culture within the Group to operate the businesses of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct.</p> <p>The Board has formalized a Code of Business Conduct and Ethics which is based on the principles in relation to integrity, sincerity, honesty, responsibility, social responsibility and accountability in order to enhance the standard of corporate governance and behavior. The Code of Business Conduct and Ethics can be viewed on the Company's website at <a href="http://www.majuperak.com.my">www.majuperak.com.my</a>.</p> <p>The Code of Business Conduct and Ethics covers the following core areas of conduct:</p> <ul style="list-style-type: none"><li>• Compliance with laws and regulations</li><li>• No conflict of interests</li><li>• Maintenance of confidential information</li><li>• Safeguard insider information</li><li>• Protection of properties, assets, business records and control</li><li>• Health and safety</li><li>• Fair and courteous behavior</li><li>• Misconduct</li></ul> <p>The Code of Business Conduct and Ethics serves as both an internal guideline and an external statement of corporate values and commitment and act as a central point of reference for employees to support day-to-day decision-making.</p> <p>The Board reviewed and approved the Anti-Bribery and Corruption Policy ("ABACP") with the objective to manage risk in relation to bribery and corruption. The Audit Committee is responsible for overseeing the implementation of the ABACP for the Group's</p>

	management, and all reports are addressed to the Integrity Unit which will perform an initial investigation. Where the matter is deemed potentially serious, it will be promptly reported to the GCEO and/or Chairman of the Audit Committee for further action.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed to maintain the highest possible standards of integrity, openness and accountability in the conduct of its businesses and operations within the Group and aspires to conduct its affairs in an ethical, responsible and transparent manner.</p> <p>The Board has established a Whistle Blowing Policy to improve the overall organizational effectiveness and to uphold the integrity of the Group which acts as a formal internal communication channel, where the staff may communicate in cases where the Group's business conduct is deemed to the contrary to the common values of the Group.</p> <p>The Whistle Blowing Policy is intended to provide and facilitate a mechanism for any persons to report concerns related to any suspected and/or known misconduct, wrongdoing, corruption, fraud, waste and/or abuse of which they become aware, and to ensure that the reporting person can report allegation of such malpractice or misconduct in an appropriate manner and without fear of retaliation.</p> <p>Confidentiality and anonymity are offered to the reporting persons who report their concerns in good faith and in doing so, have to follow the appropriate channel of reporting accordingly. This will ensure that issues could be addressed to the appropriate person and proper course of actions could be taken.</p> <p>All reports will be investigated promptly and dealt with fairly and equitably. Actions will be taken based on the nature of the allegation and may be resolved by agreed action.</p> <p>The Whistle Blowing Policy was last revised and approved by the Board in August 2023 and is available on the Company's website at <a href="http://www.majuperak.com.my">www.majuperak.com.my</a>.</p>
<b>Explanation for departure</b>	:	

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

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>At the Management level, the Company's sustainability management is led and driven by the GCEO, with progress and key developments escalated to the Board, accordingly. The GCEO, together with Management incorporates regular meetings with key divisions and project teams on a weekly and monthly basis to ensure oversight of execution of strategies, initiatives, and achievement of sustainability targets. At the Board-level, the Board is cognisant of the risks and opportunities that prompted ahead in embedding sustainability considerations into the Company's strategic gameplan.</p> <p>To this end, the Company as guided by the Board, capitalises on sustainability-related opportunities presented which include unlocking new business streams, managing resource scarcity and leveraging on new technologies to chart the course forward within the sustainability spaces.</p> <p>The Board ensures that the Group sustainability reporting covers the aspects concerning changes in business operations in response to the changing sustainability trends and operating environment, as well as strategy implementation for business transformation and measurement of sustainability impact created.</p> <p>The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social, and governance aspects of business which underpin sustainability, such as the Company's diversification plan to heighten its competitive advantage. Taking cue from the Covid-19 pandemic experience, the Board has agreed to have a place a Business Continuity Plan inter alia for minor and major disruption to the operation and keep assets safe.</p>
<b>Explanation for departure</b>	:	

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

**Intended Outcome**

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

**Practice 4.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The practise has been adopted and incorporated in the Company’s Sustainability Statement as disclosed in Annual Report of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 4.3**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board takes cognizant that Directors are expected to have a strong understanding and be able to engage in rigorous discourse with Management in addressing sustainability-related risks. In other words, a future-ready Director is one that can understand sustainability matters intimately. Directors are not expected to be sustainability-focused experts, but adequate sustainability competence is crucial to address material sustainability risks and providing guidance on sustainability-related matters.</p> <p>To this end, the Board members keep themselves apprised with contemporaneous and relevant sustainability developments by way of formal training including webinars, presentation of updates, structured reading, and discussions. The Board is committed to staying abreast with sustainability issues associated with the ever-evolving operating environment, which are relevant to its business.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	A detailed study is ongoing to develop criteria for the performance evaluations of the Board and the Management to address the material sustainability risks and opportunities.	
		The Board will also include the performance evaluation of the Board and Sustainability Committee on the progress against the achievement of sustainability targets.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 4.5- Step Up**

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

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>A dedicated unit to oversee sustainability-related topics was created in 2023. The unit will champion the strategy, execution, and reporting of sustainability in MHB.</p> <p>The unit works in collaboration with the Risk Management unit and Corporate Strategy unit to ensure full integration of sustainability in the organization's strategic decisions.</p>

## Intended Outcome

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

## Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee undertakes an annual evaluation of the composition of the Board and in the 2023 review, the Nomination Committee viewed that the existing Board members brings to the MHB Group a diverse wealth of skills, knowledge as well as a balanced mix of experience and expertise to effectively discharge the Board's responsibilities for competent stewardship of the Group.</p> <p>During the financial year ended 31 December 2023, the following Directors were subject to retirement pursuant to the Constitution of the Company at the Annual General Meeting ("AGM") held on 1 June 2023.</p> <ol style="list-style-type: none"><li>1. Datuk Redza Rafiq bin Abdul Razak</li><li>2. Datuk Abu Bakar bin Hassan</li><li>3. Dato' Dr. Aminuddin bin Md Hanafiah</li><li>4. Datuk Dr. Wan Norashikin binti Wan Noordin, DPSM, PMP, BDS (Malaya)</li><li>5. Encik Khairuddin bin Mohamed Azahari</li></ol> <p>The Nomination Committee was of the view that the Directors had discharged their duties effectively and had provided valuable contribution to the leadership of the Group. With that, upon the recommendation of the Nomination Committee, the Board resolved to recommend the re-election of abovementioned Directors at the AGM of the Company.</p> <p>The Nomination Committee meets at least once a year to review, evaluate and assess the tenure, independence of the director and annual re-election of directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As for financial year ended 31 December 2023, the majority or 80% (8 out of 10) of the Board members are Independent Non-Executive Directors (“INED”).</p> <p>The 8 INED satisfy the independence test under the Main Market Listing Requirement of Bursa Malaysia Securities Berhad. The assessment of the independence of the INEDs are conducted on an annual basis by Nominating Committee via the following:</p> <ul style="list-style-type: none"><li>• Self-assessment Evaluation Form to ensure that the INEDs were independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or ability to act in the best interest of the Company.</li></ul> <p>Form of declaration of independence, to facilitate the process of determining the Director’s independence on an annual basis by each INED.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.3

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	As for financial year ended 31 December 2023, the Company does not have any independent director serving beyond 9 years. The Board observed the recommendation by the MCCG on the tenure of service of Independent Directors shall not exceed a cumulative term limit of 9 years. In the event that the Board intends to retain the Director as Independent Director after he/she has served a cumulative term of 9 years, the Board must justify the decision and seek shareholder's approval through a two-tier voting process at a general meeting to retain him/her as an Independent Director.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The Board Charter limits the tenure on Independent Directors to nine (9) years unless extended by shareholders. In the event the Board intends to retain such Director, the Director may continue to serve on the Board as a Non-Independent Director. Currently, none of the existing Independent Directors have surpassed the cumulative term of nine (9) years tenure.



### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background, and recognises the benefits of diversity at leadership and employee level.</p> <p>As such, the Board has encouraged a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company. The Board has taken initiative to formalise any targets and measures on the aspect of gender diversity, the Board through its Nomination Committee will work towards this objective as and when vacancies arise and ensure that suitable candidates are identified. The primary responsibility in new appointments must always be to select the best candidate available.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.6**

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nomination Committee may refer to various sources including major shareholders, management, industry and professional associations to identify suitable qualified candidates for directorship, where and when necessary.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors interest, position and experience are set out in the Directors' profile in the Annual Report. The performance of the retiring directors is assessed by the Nomination Committee and Board before recommendation is made to the shareholders for consideration. For independent directors, the Nomination Committee also assess their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the listed company as a whole.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nomination Committee is chaired by Encik Ahmad Najmi bin Kamaruzaman, who is the Independent Non-Executive Director of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>With regards to the gender diversity in the Board's composition, during the financial year ended 31 December 2023, the Board comprises 10% women directors.</p> <p>The Company acknowledges the value of gender diversity, as emphasized in MCCG's best practices. During the Year 2023, the Board appointed one female member, following the Nomination Committee's recommendation.</p> <p>Although quotas mandating a minimum percentage of women directors have shown effectiveness in certain cases, there are alternative practices that can further enhance gender diversity while the Company continues its efforts to adhere to the practice.</p> <p>One such approach is fostering an inclusive board culture where all members are encouraged to contribute their perspectives and ideas. This entails ensuring that board processes and decision-making mechanisms promote diversity of thought and representation.</p> <p>In addition, the Company has also established clear policies and guidelines prioritizing diversity in board composition. These policies outline a commitment to gender diversity and establish measurable goals for increasing representation over time. The Gender Diversity Policy can be viewed on the Company's website at <a href="http://www.majuperak.com.my">www.majuperak.com.my</a></p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board is supportive of the recommendation of Malaysian Code on Corporate Governance for the establishment of boardroom and workforce gender diversity policy.</p> <p>The Board believes that in order to maintain an appropriate balance, a diverse mix of skills, experience, knowledge, and background is of paramount importance.</p> <p>The Gender Diversity Policy can be viewed on the Company's website at <a href="http://www.majuperak.com.my">www.majuperak.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Nomination Committee has a formal assessment in place to assess the effectiveness of the Board as a whole, the performance of its committees and contribution of each individual Director on an annual basis by a set of customised self- assessment questionnaires. The Nomination Committee, upon conclusion of the evaluation, was satisfied that the Board and Board Committee composition had fulfilled the criteria required, possess a right blend of knowledge, experience and the appropriate mix of skills. Independent Directors were also assessed on their independence. Results of the evaluation and Director’s self-assessment was presented to the Board for discussion.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Company is not in favour of disclosing the remuneration policies and procedures to determine the remuneration of directors and senior management. In this regard, it was decided by the Board via the respective committees.	
		The Board has a Remuneration Committee that reviews annually the Directors' Fees and the Directors' Remuneration to commensurate with the level of responsibility of its directors and senior management. The Remuneration Committee upon annual review will recommend to the Board as a whole to determine the remuneration packages for the Directors.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	



### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has a Remuneration Committee which comprised of all Independent Non-Executive Directors and led by Datuk Abu Bakar bin Hassan. The Remuneration Committee reviews annually the Directors' Fees and the Directors' Remuneration to commensurate with the level of responsibility of its directors and senior management. The Remuneration Committee upon annual review will recommend to the Board as a whole to determine the remuneration packages for the Directors. The Terms of Reference of the Remuneration Committee is accessible on the Company's website at <a href="http://www.majuperak.com.my">www.majuperak.com.my</a>.</p> <p>The Board is satisfied that in 2023, the Remuneration Committee has effectively discharged its roles and responsibilities with respect to its remuneration function.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Please refer table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Datuk Redza Rafiq bin Abdul Razak	Executive Director	RM55,000	0	RM486,399.40	0	0	0	RM541,399.40	RM55,000	0	RM486,399.40	0	0	0	RM541,399.40
2	Lim Tian Huat	Independent Director	RM48,000	0	0	0	0	0	RM48,000	RM48,000	0	0	0	0	0	RM48,000
3	Ahmad Najmi bin Kamaruzaman	Independent Director	RM48,000	0	0	0	0	0	RM48,000	RM48,000	0	0	0	0	0	RM48,000
4	Dato' Tun Hisan bin Dato' Tun Hamzah	Independent Director	RM48,000	0	0	0	0	0	RM48,000	RM48,000	0	0	0	0	0	RM48,000
5	Datuk Abu Bakar bin Hassan	Independent Director	RM48,000	0	0	0	0	0	RM48,000	RM48,000	0	0	0	0	0	RM48,000
6	Dato' Mohd Azmi bin Othman	Non-Executive Non-Independent Director	RM48,000	0	0	0	0	0	RM48,000	RM48,000	0	0	0	0	0	RM48,000
7	Dato' Dr. Aminuddin bin Md Hanafiah	Independent Director	RM48,000	0	0	0	0	0	RM48,000	RM48,000	0	0	0	0	0	RM48,000
8	Norazali bin Nordin	Independent Director	RM48,000	0	0	0	0	0	RM48,000	RM48,000	0	0	0	0	0	RM48,000
9	Datuk Dr. Wan Norashikin binti Wan Noordin <i>(Appointed on 13 March 2023)</i>	Independent Director	RM36,000	0	0	0	0	0	RM36,000	RM36,000	0	0	0	0	0	RM36,000
10	Khairuddin bin Mohamed Azahari <i>(Appointed on 13 March 2023)</i>	Independent Director	RM36,000	0	0	0	0	0	RM36,000	RM36,000	0	0	0	0	0	RM36,000



### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	The Board is of the opinion that the disclosure on a named basis for the remuneration of the top senior management's remuneration component would not be of the best interest of the individual concerned due to the sensitivity of information and competitiveness of the employment market. The Board ensures that the remuneration of the key senior management reflects the market value and is based on individual performance, job responsibilities and the Group's performance.
		Based on the above rationale, the Company is not in favour of disclosing the remuneration of the top five Senior Management on a named basis.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of Audit Committee is Mr. Lim Tian Huat, who is the Senior Independent Non-Executive Director of the Company while the Chairman of the Board is Datuk Redza Rafiq bin Abdul Razak.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee recognises the importance to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise.</p> <p>The Term of Reference of the Audit Committee stipulate a cooling-off period of at least three (3) years for former key audit partners to observe before they are eligible for appointment as members of the Audit Committee. The Term of Reference can be viewed on the Company's website at <a href="http://www.majuperak.com.my">www.majuperak.com.my</a></p> <p>As of 31 December 2023, none of the members of the Board nor the Audit Committee of the Company were former key audit partners of the external auditors appointed by the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee is responsible for assessing the suitability and independence of the external auditor and to make subsequent recommendations to the Board on the appointment, reappointment or termination of the external auditor. The Audit Committee reviews the suitability, objectivity and independence of the external auditor of the Company on an annual basis. The review process covers the following:-</p> <ul style="list-style-type: none"><li>• the adequacy of the experience and resources of the external auditors;</li><li>• the external auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;</li><li>• the nature of the non-audit services provided by the external auditor and fees paid for such services relative to the audit fee; and</li><li>• whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditor.</li></ul> <p>To determine the independency, the external auditors provide the Audit Committee with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

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

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

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

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	All Audit Committee members are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. The qualification and experience of the individual Audit Committee members are disclosed in the Profile of Board of Directors in the Annual Report.  The members of the Audit Committee continuously attended training on professional development to ensure that they are abreast of relevant developments in accounting and auditing standards, practices and rules. A summary of training programmes, conferences and seminars attended by Directors during the financial year under review is set out in the Corporate Governance Overview Statement of the Company.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 10.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has established the necessary risk and internal control infrastructure encompassing the risk assessment process, internal control measures, organisational oversight, and reporting function to instil the appropriate discipline to continuously improve risk management and internal control capabilities. Details of the Group’s Risk Management and Internal Control Framework are set out in its Statement on Risk Management and Internal control of the Company’s Annual Report. The internal control mechanisms established by the Board are embedded within the organisation structure in all its process.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The features of the Group’s risk management and internal control framework, and the adequacy and effectiveness of this framework is disclosed in the Statement of Risk Management and Internal Control which can be found in the Company’s Annual Report.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### **Intended Outcome**

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

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

### **Practice 10.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Risk Management Committee of the Company comprises entirely of Independent Non-Executive Directors as follows: (i) Dato' Tun Hisan bin Dato' Tun Hamzah – Chairman (ii) Encik Ahmad Najmi bin Kamaruzaman (iii) Dato' Dr. Aminuddin bin Md Hanafiah

**Intended Outcome**

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

**Practice 11.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit function upholds independence in conducting internal audit activities. The Head of Internal Audit reports directly to the Chairman of the Audit Committee, while also maintaining an administrative reporting line to the GCEO.</p> <p>The Internal Audit department of the Company’s conduct regular reviews of the internal controls and report to the Audit Committee. During the financial year under review, the Internal Audit department has, in accordance to its internal audit plan, carried out regular and systematic reviews on major business operating units of the Group to assess the effectiveness and adequacy of internal control and also on risk management and highlight areas for improvement. Their internal audit reports were tabled at the Audit Committee meetings, where Audit Committee members reviewed the findings with management. Internal Auditors ensure that recommendations to improve controls are implemented by management.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit personnel are free from any relationships or conflict of interest, which could impair her objectivity and independence. The internal auditor unit reports directly to the Chairman of the Audit Committee and administratively to the GCEO.</p> <p>The Internal Audit Department is headed by Encik Saiful Azwan bin Ahasli who holds a Bachelor of Accountancy (Hons.) from University Utara Malaysia. He is assisted by three (3) subordinates in carrying out the internal audit reviews.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of timely and equal dissemination of material information to shareholders, investors and public. Communication to stakeholders had been executed in a timely and transparent manner through announcements on Bursa's website and the media.</p> <p>The Group has also established a corporate website at <a href="http://www.majuperak.com.my">www.majuperak.com.my</a> which provides information relating to annual reports, quarterly results, announcement, Board Charter, Terms of Reference of Audit Committee, Nominating Committee and Remuneration Committee as well as other relevant and related documents or reports relating to Corporate Governance are made available on the abovementioned website.</p> <p>Shareholders or stakeholders can at any time seek for clarifications or raise queries through corporate website, by email or phone. The contact details are set out at the Group's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

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

**Practice 12.2**

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company serves the Notice for its Annual General Meeting (“AGM”) together with the Annual Report to the shareholders of the Company at least 28 days prior to the Meeting.</p> <p>The AGM Notice includes details of the resolutions proposed along with relevant explanatory note to enable shareholders to make informed decisions in exercising their voting rights.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	All directors except Mr. Lim Tian Huat were present at the last AGM held on 1 June 2023.	
		Barring any unforeseen circumstances, all Directors are committed to participate meeting of members of the Company in person and via remote participation. The presence of all Directors presented opportunities for the shareholders to engage with each Director and also allowed the shareholders to raise questions and concerns to the Directors directly.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company continues to leverage on technology to facilitate meaningful engagement with its shareholders by conducting its Annual General Meeting (“AGM”) held on 1 June 2023 virtually through live streaming via a Remote Participating and Voting facilities. The conduct of a virtual AGM is in line with the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.</p> <p>The Administrative Guide, which outlines all the details regarding the virtual AGM, was published on the Company’s corporate website to assist shareholders in registering for participation. The Remote Participation and Voting facilities enable shareholders to exercise their rights as members of the Company by logging into the Virtual Meeting Portal to participate and vote.</p> <p>Shareholders who were unable to attend and vote at the AGM had been encouraged to submit the proxy forms to appoint their representatives or Chairman of the Meeting to participate in the Meeting, which had allowed them to vote in absence. During the AGM, all resolutions were decided by electronic poll voting. An independent scrutineer was appointed to validate the poll results.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 13.4**

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	Shareholders were given the opportunity to pose questions on matters relating to the Agenda of the General Meetings.  All the directors are encouraged to attend the General Meeting of the Company. Directors, GCEO, Chief Financial Officer, and the External Auditors are available to provide responses to questions from shareholders during the meeting.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

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

**Practice 13.5**

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The Company conducted its Annual General Meeting (“AGM”) virtually on 1 June 2023, utilizing live streaming and Remote Participation and Voting facilities. To ensure orderly proceedings, the Company engaged a reputable poll administrator equipped with a robust online participation and voting system/platform to manage the virtual AGM. Questions posed by shareholders were made visible to all meeting participants.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The minutes of the general meeting, along with questions and responses raised by shareholders, were prepared and published on the Company’s corporate website no later than 30 business days after the general meeting.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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

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