

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 7219  
**COMPANY NAME** : MINETECH RESOURCES BERHAD  
**FINANCIAL YEAR** : March 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 responsible for the leadership, oversight, control, development and long-term success of the Group. It is also responsible for instilling the appropriate culture, values and behaviour throughout the Group.</p> <p>The Company's Board Charter defines specific duties and responsibilities of the Board which can be found at the Company's website at <a href="http://www.minetech.com.my">www.minetech.com.my</a>.</p> <p>The Board plays an important role in overseeing the governance of the Group and in ensuring that the Group's culture and values is set from the top. In carrying out its duties and responsibilities, the Board is assisted by three (3) Board Committees, namely Audit and Risk Management Committee ("<b>ARMC</b>"), Nomination and Remuneration Committee ("<b>NRC</b>") and Investment Committee ("<b>IC</b>"). The Board delegates certain functions to these Committees in accordance with their respective Terms of References. The activities of each Board Committee are set out in the Corporate Governance Overview Statement of the Annual Report 2023.</p> <p>While the responsibility for monitoring the effectiveness of the Group's risk management has been delegated to the ARMC, the Board retains ultimate responsibility for determining the Group's "risk tolerance" and annually considers a report in relation to the monitoring, controlling and reporting of identified risks and uncertainties. In addition, the Board receives regular reports from the Chairman of the ARMC in relation to the work of that Committee in the area of internal control.</p> <p>The Board has conducted an annual review of the Board policies including but not limited to the Board Charter, Terms of References of the Board Committees, Code of Ethics and Conduct, Anti-Bribery Management System Policy, Conflict of Interest Policy, Diversity Policy,</p>

	Succession Planning Policy annually to ensure it remains effective and relevant to the Board's objective and responsibilities.	
<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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is led by Dato’ (Dr). Ts. Awang Daud Bin Awang Putera, the Executive Chairman of the Company. The Chairman’s role and responsibilities have been set forth in the Board Charter which is available on the Company’s website at <a href="http://www.minetech.com.my">www.minetech.com.my</a>.</p> <p>The Chairman is responsible in instilling good corporate governance practices in the Company, providing leadership and leads the Board in the adoption and implementation of the same by setting the tone at the top, and managing the Board’s effectiveness by focusing on strategy, governance and compliance in regard to public interest.</p> <p>The Chairman also leads the meeting pace and discussion in an effective manner, whereby allowing for expression of views in the spirit of “constructive challenge”, effective debate and contribution from respective Board members to facilitate informed decision-making by the Board and ensures that the decisions made are a representation of the Board as a whole.</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

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 Board recognises the importance of exercising objective oversight over Management and therefore believes in the separation of the roles of the Chairman and Management. The roles of Chairman and Chief Executive Officer (“<b>CEO</b>”) are undertaken by separate persons and the details of responsibilities are clearly set out in the Board Charter, which is available on the Company’s website at <a href="http://www.minetech.com.my">www.minetech.com.my</a>.</p> <p>The position of Chairman is currently held by Dato’ (Dr). Ts. Awang Daud Bin Awang Putera who is responsible for orderly conduct and function of the Board as well as leads and manages the Board by focusing on strategy, governance and compliance. Whereas the position of CEO is vacated since the resignation of the former CEO. Presently, the functions and responsibilities of CEO are performed and held jointly by the Executive Directors of the Company. The Board understands the importance of the separation of powers between the CEO and the Chairman to ensure an appropriate balance of role, responsibility and accountability at Board level such that no one individual has unfettered decision-making powers.</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>	:	Dato' (Dr). Ts. Awang Daud Bin Awang Putera, the Executive Chairman, is neither a member of the ARMC nor the NRC of the Company and does not participate in any meetings of ARMC nor NRC, as such it ensures no interference in any deliberations of the Board Committees in order to avoid impairing the credibility of the discussions. The Chairman of ARMC and NRC will report matters that are deliberated at respective meeting(s) during Board's meeting. The Company upholds high standard of governance whereby the ARMC and NRC comprises solely of Independent Directors.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The present Company Secretaries, Ms Tai Yit Chan and Ms Tan Ai Ning, both from Boardroom Corporate Services Sdn Bhd are suitably qualified, competent and capable of carrying out the duties required and have regularly attended training/seminars conducted by The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and other regulatory bodies to keep abreast on the changes to regulations and requirements.</p> <p>The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time and update the Board on the same at Board meetings. The Company Secretaries also notified the Directors and Principal Officers on the closed period for trading in the Company's securities, in accordance with Chapter 14 of the Main Market Listing Requirements ("<b>MMLR</b>") of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>"). The Company Secretaries also ensure that deliberations at Board and Board Committee meetings are well captured, minuted and documented.</p> <p>The Company Secretaries play an important role in the annual general and extraordinary general meetings in ensuring that the due processes and proceedings are in place and properly managed. During the meeting, the Company Secretaries will assist the Chairman and the Board in the conduct of the meetings and ensure the minutes are properly recorded, particularly questions and issues raised by the shareholders.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, corporate governance and legislations.</p> <p>All the Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.</p> <p>The roles and responsibilities of the Company Secretary have been set forth in the Board Charter which has been approved by the Board.</p>

<b>Explanation for departure</b>	:			
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<b>Measure</b>	:			
<b>Timeframe</b>	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

### 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>The Board is conscious of the importance of meeting materials to be disseminated in a timely manner to allow Directors to decipher the information presented and prepare for the Board and Board Committee meetings.</p> <p>The Board, led by the Chairman, has put in place a policy stipulation which calls for all Directors to have full and timely access to information and the Board papers circulated at least five (5) days prior to each Board and Board Committee meetings. Comprehensive reports comprising a balance of financial and non-financial information, strategic, operational, regulatory, marketing and human resource issues are customarily enclosed as accompanying materials. The Company Secretaries are responsible for ensuring the Directors receive adequate and timely information prior to Board or Board Committee meetings.</p> <p>The Notice of Board's and committees' meetings are sent to the Directors/ committees' members via e-mail at least seven (7) days prior to a meeting. Exceptions may be made for certain ad-hoc or urgent instances when Directors unanimously consent to a shorter notice period and elapsed timeframe for the provision of agenda papers.</p> <p>Board and Board Committee meetings proceedings are well-documented by the Company Secretaries. The minutes reflects key deliberations and decisions, rationale for each decision as well as any significant concerns, dissenting views or abstentions by Directors from voting and deliberating on specific matters. Meeting minutes are approved at the subsequent Board or Board Committee meeting and 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>	:		
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**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board Charter outlines the roles of the Chairman, CEO, Independent Directors and Board Committees.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.minetech.com.my">www.minetech.com.my</a> which has been incorporated into the Group's governance system, documented policies that the Board has decided upon to meet, among others, its responsibilities, governance and leadership as a description tool of how the Board operates. The Terms of References of the Board Committees are also available on the Company's website.</p> <p>The Board Charter also sets out a formal schedule of matters reserved to the Board for consideration and decision as well as of those which the Board may delegate to the Board Committees.</p> <p>The Board Charter is periodically reviewed by the Board and updated based on the prevailing regulatory promulgations.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a Code of Ethics and Conduct ("<b>the Code</b>") which sets out the standards which the Directors, officers and employees (together "<b>Personnel</b>") of the Company and its subsidiaries are expected to comply in relation to the affairs of the Company's businesses when dealing with each other, shareholders and the broader community.</p> <p>The Board is required to observe compliance of the Code as well as the Board Charter and high standard of corporate governance at all times. The Board members are required to declare any personal, professional or business interest that may conflict with director's responsibilities.</p> <p>This Code is intended to focus on the Board and Management on areas of ethical risk, provide guidance to Personnel to help them to recognise and deal with ethical issues, provide mechanisms to report unethical conduct, and help to foster a culture of honesty and accountability.</p> <p>The Code includes, inter alia, matters relating to conflicts of interest, proper use of the Company's assets and properties as well as knowledge and information on prohibited activities or misconduct involving gifts, gratuities, bribes and corruption, insider trading and money laundering.</p> <p>The Company also adopted Anti-Bribery Management System Policy and Conflict of Interest Policy to ensure adequate procedures in place to prevent corrupt conduct in relation to business activities and to provide guidance to deal with conflict of interest.</p> <p>The Board and Senior Management of the Company will review the Code and policies on an annual basis and communicate changes to all levels of officers. The Code is available on the Company's website at <a href="http://www.minetech.com.my">www.minetech.com.my</a>.</p>

<b>Explanation for departure</b> :		
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<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 has formalised a Whistleblower Policy (“<b>WP</b>”) that is applicable to all employees of the Group. The Company’s WP promotes an environment of integrity and ethical behaviour within the Group.</p> <p>The Group’s whistleblowing channel allows anyone to report any misconduct or suspected misconduct by employees (including members of senior management) and Directors. The whistleblowers can report any improper conduct to Chairman of ARMC or Executive Directors as stipulated in the WP. All employees of the Group and other interested parties are guided with the procedures and an avenue where genuine concerns related to possible improprieties in matters of financial reporting, compliance and other malpractices can be objectively investigated and addressed is incorporated into the WP. The details on the procedures can be found on the Company’s website at <a href="http://www.minetech.com.my">www.minetech.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board promotes the application of sustainability practices throughout the Group, the benefits of which are believed to translate into better corporate performance and ensure the integrity in the Company's financial and non-financial reporting.</p> <p>Accordingly, the Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of the Group and its operations. To achieve this, the Board is in the midst of establishing a Sustainability Framework to ensure that there is an effective governance framework for sustainability within the Group to reflect the values and manner in which the Company performs the daily work.</p> <p>A report on key sustainability activities, demonstrating the Group's commitment to the economic, environmental, social and governance and details on Company's effort towards sustainability was disclosed in the Sustainability Statement of the Annual Report 2023, prepared in accordance with Sustainability Reporting Guide issued by Bursa Securities and guided by the Global Reporting Initiative.</p> <p>A sustainability governance structure which encompasses the Board, senior management and divisional management was established to manage decision-making processes, implementation of sustainable actions and strategies across the entire Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group continuously engages with its internal and external stakeholders to identify and prioritise key sustainability matters including sustainability strategies, priorities, targets and performance. The Company believes that stakeholder's engagement is crucial in upholding its reputation as a trusted and responsible corporate citizen. A regular communication with stakeholders, through a wide range of communication mediums, enables the Group to continuously develop and implement measures to effectively manage concerns and expectations.</p> <p>A summarised breakdown of the different types of stakeholders and forms of engagement the Group provides towards alleviating their concerns, was disclosed in the Sustainability Statement of the Annual Report 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In order to ensure the Board is kept abreast on the sustainability issues which are relevant to the Company's business and operations, the Board, from time to time are encouraged to attend seminar/training programmes which are conducted either internally or externally to gather more insights in relation to sustainability risks and opportunities.</p> <p>In addition, the Board will be updated on the Sustainability and Environmental, Social and Governance matters such as reports or updates on governance to ensure the Board is kept abreast on the latest developments and trends, in the local and global scene.</p> <p>The Board is fully aware of responsibilities towards the environment and undertakes appropriate management on natural capital. Initiatives have been taken to mitigate negative environmental externalities and conserve the natural environment. Details of which is disclosed in the Sustainability Statement of the Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company is taking cognisance of the fast-changing environment in the industry and has in place processes and procedures to measure internal progress and achievement against sustainability targets.</p> <p>The NRC had reviewed the revised performance evaluation form for the Board which had incorporated the elements of Environment, Social and Governance (“<b>ESG</b>”) and undertook an evaluation of the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities.</p> <p>Key criteria used in the assessment of individual Directors during the year were:</p> <ul style="list-style-type: none"><li>• Presence of a business strategy underpinned by ESG;</li><li>• Robustness of ESG agendas, deliberations and discussions; and</li><li>• Monitoring sustainability targets and goals.</li></ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

### Intended Outcome

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

### Practice 5.1

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 NRC assists the Board in reviewing the required mix of experience and other qualities of the Board on an annual basis, including core competencies which Non-Executive Directors should bring to the Board.</p> <p>The NRC screens the profiles of potential candidates for positions available on the Board before formally considering and recommending for appointment to the Board. Candidates would be required to furnish curriculum vitae containing information on their academic/professional qualification, work experience and employment history.</p> <p>When considering the Directors for re-election, the NRC considered the following:-</p> <ul style="list-style-type: none"><li>• Director's performance and contribution based on self and peer assessment result from the Board's evaluation;</li><li>• The Director's level of contribution to the Board deliberations through several aspects, i.e. skills, experience, time commitment, strength in qualities;</li><li>• The level of independence demonstrated by the Director (if applicable) and the Director's ability to act in the best interests of the Company;</li><li>• Compatibility within the overall composition of the Board to match the profile and activities of the Company;</li><li>• Degree of familiarity with the Company's business activities and its operating environment; and</li><li>• The Directors' fitness and propriety.</li></ul> <p>The NRC is satisfied with the performance and contribution of all Directors of the Board as of the present.</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>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>As at 31 March 2023, the Board comprised of one (1) Executive Chairman, four (4) Executive Directors, three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Director and (1) Alternate Director, of which the independent directors represented 30% of the Board composition.</p> <p>The Board is of the view that the current Board composition provides appropriate balance in terms of skills, knowledge and industry experience to lead and oversee the Group. The nominees for the major shareholders are balanced by the presence of the Independent Directors on the Board whose collective views carry significant weight in the Board's deliberation and decision-making process. The presence of Independent Directors of the Company provides check and balance on the Board as they are able to provide unbiased and independent views by taking into account the interests of the Group and minority shareholders, challenge management proposals constructively and review management performance in meeting agreed objectives and targets.</p> <p>All Independent Directors meet the criteria for independence as prescribed under the MMLR of Bursa Securities and no politician is appointed on the Board of the Company as at the date of this report.</p> <p>The NRC and the Board have upon their assessment for the financial year under review concluded that the Independent Directors were independent in their judgment and decisions.</p> <p>The Board aims to move towards adopting Practice 5.2 in the future. However, the Board would not bludgeon through changes for the mere sake of compliance in form. Instead, the Board will search for the right candidates that can contribute to the Group's long term growth strategy.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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 5.3

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board, through the NRC assesses Independent Directors annually to ascertain if they display a strong element of objectivity, both in appearance (“perceived independence”) as well as of mind (“independence in thought and action”).	
		During the year under review, one (1) Independent Director, namely Encik Ahmad Ruslan Zahari Bin Zakaria (“ <b>Encik Ruslan</b> ”) has served on the Board beyond a cumulative term of nine (9) years. The NRC and the Board have upon their assessment for the financial year under review concluded that Encik Ruslan had complied with the criteria of “independence” as set out in MMLR of Bursa Securities and are able to remain objective and independent in expressing his views and fair participation in deliberations and decision-making of the Board and the Board Committees.	
		The Board intends to retain Encik Ruslan as Independent Director pursuant to the MMLR of Bursa Securities. The Company will be seeking shareholders’ approval for his continuation in office as Independent Director to the Board in the forthcoming Annual General Meeting.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
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.

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

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

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In recommending the appointment of Directors and senior management, the NRC considers salient attributes such as mix of skills and experience, strengths, expected contribution, independence (where applicable) and the multiple facets of diversity to ensure a balanced mix of talents on the Board and senior management level.</p> <p>The Board, alongside the NRC, undertakes periodic reviews of the composition of the Board and senior management to ensure that they remain diverse, in the context of the needs of the Company's businesses and strategies.</p> <p>The current composition of the Board includes a diverse mix of skill sets, knowledge and experience (eg. leadership, strategic planning, corporate governance, risk management and internal controls, government and policy, business management, and entrepreneurial) and age (range between 39-70).</p> <p>The appointment of senior management personnel is also based on pre-determined criteria that includes skill sets and leadership qualities, driven by their respective job descriptions.</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>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The current process with regards to the appointment of new Directors to the Board is based on the recommendation of the NRC. The Board relies on the existing network and referrals from existing Directors, senior management and major shareholders as primary means to source for new Directors as they represent a tried and tested method of sourcing high-calibre directors with a sound understanding of the business.</p> <p>The Directors appointment process is carried out based on methodical and robust process undertaken by the NRC. Candidates recommended are thoroughly assessed based on their competence, integrity, character, time commitment and experience as stated in Paragraph 2.20A of MMLR of Bursa Securities. The Board will consider external and independent sources if applicable.</p> <p>During the year under review, Mr Chin Sheong Choy was appointed as Alternate Director to Mr Choy Sen @ Mr Chin Kim Sang, an Executive Director of the Company.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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	:	The profile of directors who are standing for re-election are set out in page 5, 6 and 7 of the Annual Report 2023 and statement to support the re-election of directors are set out in the explanatory note of the notice of Annual General Meeting on page 182, 183 and 184 of Annual Report 2023.	
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**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NRC is chaired by Puan Siti Aishah Binti Othman, an Independent Non-Executive Director of the Company.</p> <p>The Board recognises the need for Chairman of NRC to be independent to ensure objectivity and independent judgement during deliberations.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board have two (2) woman directors, namely Datin Feridah Binti Bujang Ismail and Puan Siti Aishah Binti Othman, representing 20% of the total Board members.</p> <p>The Company has in place a Diversity Policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board of Directors and in senior management positions. To-date, 15.4% of the senior management positions of the Company are held by women. Appointment of female candidates to the Board will be made when a suitable candidate who can add value to the Board is identified.</p> <p>The Board recognises the challenges in achieving the right balance of diversity in the Company. This will be done over time, taking into account the present size, the valuable knowledge and experience of the present senior management and the evolving challenges to the Company over time.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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 Company had adopted the Diversity Policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board of Directors and in senior management positions.</p> <p>The Board is of the view that diversity on the Board enhances the decision-making capability of the Company and it improves the process of Board discussions by allowing different perspectives to be included in the decision making.</p> <p>As at 31 March 2023, 20% of the total Board members and 15.4% of the senior management positions of the Company are held by women.</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

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board has adopted a formal and objective annual evaluation of the Board, Board Committees and Directors' performance. The assessment took into account the contribution and performance of the Directors in relation to their competencies, time commitment, and experience in meeting the needs of the Company. The NRC conducted Board assessment via questionnaires on yearly basis. The results and recommendations from the evaluation of the Board and Board Committees are reported to the Board for consideration and action.</p> <p>The results of individual directors' evaluation are also used by NRC to review, where appropriate, the composition of the Board and Board Committees.</p> <p>During the year under review, the Board engages the external Company Secretary who is from an independent external secretarial firm to facilitate the Board evaluation via evaluation forms. Our external Company Secretaries from Boardroom Corporate Services Sdn Bhd assist in the preparation of documents for the annual evaluation and facilitates the evaluation which includes self and peer evaluation. Upon completion of the assessments, the evaluation forms will be submitted to the Company Secretaries for tabulation and the results will be presented to the NRC together with agreed action plans to address the gaps/areas for improvement, if any, for deliberation and onward submission to the Board.</p> <p>Key criteria used in the assessment of the effectiveness of individual Directors during the year were:</p> <ul style="list-style-type: none"><li>• Integrity – disclosure of conflict of interest with the Group (if any) and ethical behaviour in managing businesses;</li><li>• Professionalism – ability to provide opinion and explanation objectively, technically sound and tactfully on issues discussed;</li></ul>

	<ul style="list-style-type: none"> <li>• Availability – responsiveness to enquiries and providing assistance and advice to the Board when outside the boardroom;</li> <li>• Business knowledge – sharing of information or insights to Group’s businesses and formulation of strategies;</li> <li>• Meeting attendance – regularly and timely attendance of Board meetings;</li> <li>• Meeting preparation – well prepared prior to the meetings by reading agenda papers to have a proper and relevant depiction of the issues at hand and understands the technical requirements, risk and management of the Company’s business by providing concrete advice and oversight to the Management on various opportunities and risks;</li> <li>• Board participation – participates actively in Board activities and work constructively with peers;</li> <li>• Relationship with Board members – maintaining good relationship with each Board members and able to communicate persuasively in a clear and non-confrontational manner;</li> <li>• Public Relations – exercise duty of care and professionalism when maintaining contact with all stakeholders;</li> <li>• Contribution and performance – ability to offer practical and realistic advice to Board and/or committee discussions</li> </ul> <p>Key criteria used in the assessment of the effectiveness of each Independent Directors during the year included:</p> <ul style="list-style-type: none"> <li>• Criteria of Independence based on the MMLR of Bursa Securities;</li> <li>• Attendance of Meeting; and</li> <li>• Tenure/ Length of Service as Independent Director in Company.</li> </ul> <p>In line with the assessment of Board effectiveness, an assessment of the Board Committees as a function of the Board is also carried out to evaluate the effectiveness of the Committees in meeting the objectives for which they are established. Committee members will assess their roles in assisting the Board to fulfil its responsibilities as delegated to the Committee by its terms of reference.</p> <p>Key criteria used in the assessment of the effectiveness of a Board Committee during the year were:</p> <ul style="list-style-type: none"> <li>• The right composition of the committee;</li> <li>• Overall effectiveness of committee practice;</li> <li>• Receipt of meeting materials;</li> <li>• Ability to discharge responsibilities, deployment of resources and expertise and provision of useful recommendations to the Board;</li> <li>• Timely dissemination of information; and</li> <li>• Committees’ performance.</li> </ul> <p>The Board was satisfied with the outcome and that the skills and experience of the current Directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders’ interest and ensure the Group’s performance. The Board also recognised that the ARMC and NRC have the right composition and</p>
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	<p>sufficient knowledge of relevant areas, and thus have been effective in discharging their duties.</p> <p>Hence, the Board will continue to review the efficiency and effectiveness of the Board evaluation process to ensure it remains a valuable feedback mechanism for improving Board effectiveness, maximising strengths and highlighting areas for further improvement.</p>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges that remuneration is a key in attracting, retaining and motivating talented and high-calibre individuals that can successfully run and manage the business. In this regard, the Board has in place the Directors and Senior Management's Remuneration Policy.</p> <p>In setting the remuneration of directors, the Board is guided by the Directors and Senior Management's Remuneration Policy. The Executive Directors shall not participate in decisions regarding their individual remuneration. The Executive Directors have abstained and shall continue to abstain from all Board's deliberation and voting on the resolution in relation thereof.</p> <p>The remuneration of Non-Executive Directors is determined by the Board as a whole. The remuneration package for Executive Directors has been structured to link rewards to corporate and individual performance while Non-Executive Directors' remuneration reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors.</p> <p>The Directors and Senior Management's Remuneration Policy is disclosed on the Company'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>	:		
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### 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 established NRC which comprises exclusively of Independent Directors. The Term of Reference of the NRC sets out the roles and responsibilities of the NRC in relation to remuneration matters and is available on the Company's website <a href="http://www.minetech.com.my">www.minetech.com.my</a>.</p> <p>The Board is satisfied that the NRC had discharged its duties and responsibilities including reviews of the remuneration package for the Executive Directors and senior management of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with best corporate governance practice, the remuneration of each individual Director on named basis is made transparent and accessible to shareholders and stakeholders.</p> <p>The details of the remuneration of Directors comprising remuneration received from the Company and subsidiary companies for the financial year ended 31 March 2023 are set out as below:-</p>

No	Name	Directorate	Company (RM'000)							Group (RM'000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' (Dr). Ts. Awang Daud Bin Awang Putera	Executive Director	Input info here	12.25	624.0	Input info here		96.0	Input info here	Input info here	12.25	624.0	Input info here	Input info here	96.0	Input info here
2	Choy Sen @ Chin Kim Sang	Executive Director	Input info here	8.5	468.0	Input info here	Input info here	97.2	Input info here	Input info here	8.5	468.0	Input info here	Input info here	97.2	Input info here
3	Chin Leong Choy	Executive Director	Input info here	8.5	378.0	Input info here	Input info here	113.4	Input info here	Input info here	8.5	378.0	Input info here	Input info here	113.4	Input info here
4	Awgku Mohd Reza Farzak Bin Awg Daud	Executive Director	Input info here	8.5	270.0	Input info here	Input info here	81.0	Input info here	Input info here	8.5	270.0	Input info here	Input info here	81.0	Input info here
5	Azlan Shah Bin Zainal Arif	Executive Director	Input info here	8.5	378.0	Input info here	Input info here	113.4	Input info here	Input info here	8.5	378.0	Input info here	Input info here	113.4	Input info here
6	Ahmad Rahizal Bin Dato' Ahmad Rasidi	Executive Director	40.5	8.5	Input info here	Input info here	Input info here	Input info here	Input info here	40.5	8.5	Input info here	Input info here	Input info here	Input info here	Input info here
7	Loke Kim Meng	Non-Executive Non-Independent Director	40.5	8.5	Input info here	Input info here	Input info here	Input info here	Input info here	40.5	8.5	Input info here	Input info here	Input info here	Input info here	Input info here
8	Ahmad Ruslan Zahari Bin Zakaria	Independent Director	67.5	23.9	Input info here	Input info here	Input info here	Input info here	Input info here	67.5	23.9	Input info here	Input info here	Input info here	Input info here	Input info here
9	Datin Feridah Binti Bujang Ismail	Independent Director	40.5	15.7	Input info here	Input info here	Input info here	Input info here	Input info here	40.5	15.7	Input info here	Input info here	Input info here	Input info here	Input info here
10	Siti Aishah Binti Othman	Independent Director	40.5	16.35	Input info here	Input info here	Input info here	Input info here	Input info here	40.5	16.35	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board is of the opinion that the disclosure of senior management's remuneration would not be in the best interest of the Group as it would affect the Group's efforts in talent retention and management within the competitive industry as well as for confidentiality reason.</p> <p>In accordance with the Directors and Senior Management's Remuneration Policy, the Board recognises the importance of compensating senior management with a competitive remuneration package based on the following:-</p> <ul style="list-style-type: none"><li>• The scope of the duty and responsibilities;</li><li>• The conditions and experiences required;</li><li>• The ethical values, internal balances and strategic targets of the Company;</li><li>• The corporate and individual performance;</li><li>• Current market rate within the industry and in comparable companies;</li><li>• The scale and complexity of both the business and the role; and</li><li>• The prevailing financial position of the Company.</li></ul> <p>The Board ensures that the remuneration is in the best interests of the Company and its shareholders from a growth perspective, since it helps motivate and retain talented and committed senior management staff.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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No	Name	Position	Company (RM'000)					
			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 (RM'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>	:	<p>The Chairman of the ARMC is Encik Ruslan, whilst the Chairman of the Board is Dato' (Dr). Ts. Awang Daud Bin Awang Putera. Having the Board Chairman and Chairman of the ARMC assumed by different individuals allows the Board to review the ARMC's findings and recommendations objectively.</p> <p>Encik Ruslan was a Chartered Accountant in UK before joining Merchants Business Growth Consulting as its Group Financial Controller in Europe. Upon his return to Malaysia, he joined CIMB Investment Bank Berhad in the Corporate Finance Department and thereafter appointed as ASEAN Regional Director/Managing Director (Malaysia) of Clear Channel Communications Inc, the leading global media organisation listed on New York Stock Exchange.</p> <p>Having vast of experience within the area of finance and accounting, Encik Ruslan was appointed the CEO for several companies in Malaysia. The possession of sound financial understanding and experience equips the Chairman of the ARMC with the ability to lead discussions and deliberations and ultimately be satisfied that the end result fairly reflects the understanding of the ARMC.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board recognises the need to uphold the independence of the external auditors from the Board and Management. The ARMC's Terms of Reference specifically sets out the requirement for a former key audit partner to observe a cooling off period of at least three (3) years before being appointed as a member of the ARMC.  Presently, none of the members of the ARMC are former key audit partner.	
<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 Company has an External Auditors' Assessment Policy in place which provides for procedures to assess the suitability, objectivity and independence of the Company's external auditors. The ARMC also reviews the nature and extent of non-audit services rendered by the external auditor during the financial year and concluded that the provision of these services did not compromise their independence and objectivity.</p> <p>During the year under review, Messrs. Al Jafree Salihin Kuzaimi PLT was re-appointed as the external auditors of the Company. The ARMC had assessed and was satisfied with the competence, audit quality, resource capacity of the external auditors in relation to the audit services provided. From the assessment, the ARMC is also satisfied that there was no threat to the objectivity and independence of the audit arising from the provision of non-audit services of the external auditors and the total fee incurred for non-audit services is not significant. Based on the assessment, the ARMC recommended to the Board the re-appointment of Messrs. Al Jafree Salihin Kuzaimi PLT as external auditors of the Company be tabled at the forthcoming Annual General Meeting ("AGM") for shareholders' approval.</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 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors.

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All the members of the ARMC have the necessary financial experience, commercial expertise, capital markets skills and relevant industry experience required to meet their responsibilities and effectively challenge management's assertions on the Company's financials during the ARMC meeting. They also undertake ongoing training and development to keep abreast of latest changes and developments in the business and industry environment, as detailed under Directors' Training section of the Corporate Governance Overview Statement of Annual Report 2023.</p> <p>The ARMC Chairman, Encik Ruslan has extensive experience in finance industry with relevant accounting or related experience. Hence, he is financial literate to effectively discharge his duties. The ARMC member, Datin Feridah Binti Bujang Ismail is a member of the Malaysian Institute of Accountants (MIA) and Certified Public Accountant Australia who has a strong financial background which enable her to understand the matters under the purview of the ARMC. Whilst Puan Siti Aishah Binti Othman possess extensive working experience and legal knowledge which equipped her with the ability to ask probe questions.</p> <p>Based on the annual evaluation in regard to term of office and performance of the ARMC for the financial year ended 31 March 2023, the Board is satisfied that the ARMC had carried out its duties and responsibilities effectively as per its Terms of Reference and the ARMC as a whole and each member of the ARMC have added value and contributed to the overall effectiveness of the ARMC.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for reviewing and approving the Group's overall risk philosophy and risk appetite, recognising and understanding the major risks to which the Group is exposed to and ensuring appropriate systems are in place to effectively control, manage and mitigate those risks.</p> <p>The Board has established a framework to formulate and review risk management policies and risk strategies.</p> <p>The key risks of each operating unit are monitored monthly by respective Head of Department which transcribed in the Risk Management Report and deliberated during the ARMC's meeting semi-annually. The Risk Management Report also includes major variances as well as significant issues and changes in the business environment, major policy matters and external environment affecting each operating unit.</p> <p>The Board, assisted by ARMC, reviews and monitors the key risks identified by BDO Governance Advisory Sdn Bhd, an outsourced Internal Auditor to review the key risks over strategic, operation, reporting, compliance and mitigation of risks and report to the Management and ARMC for the financial year ended 2023.</p> <p>The Statement on Risk Management and Internal Control of the Group provides an overview of the risk management practices and internal controls implemented by the Group can be found in Annual Report 2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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### 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>The Board, assisted by ARMC, has established a framework to formulate and review risk management policies and risk strategies.</p> <p>All key risks (includes detailed assessment of risks as well as the corresponding mitigating controls implemented or to be implemented) were captured and reviewed by the respective support units. Subsequently, all keys risks was consolidated and presented to the management of the Company and thereafter, the half-yearly reports will be tabled to the ARMC.</p> <p>Further information on the Group’s risk management and internal control framework is presented in the Statement on Risk Management and Internal Control of the Annual Report 2023.</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**

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>	:	Not Adopted
<b>Explanation on adoption of the practice</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 11.1

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 ARMC is responsible for monitoring and reviewing the effectiveness of the Group's internal audit function. The function is independent and is led by the Group's outsourced internal auditors, BDO Governance Advisory Sdn Bhd ("<b>BDO</b>") who reports directly to the ARMC.</p> <p>BDO provides recommendations to mitigate the risks or weaknesses and enhanced the governance, risk management and control processes within the Group. The results of the audits were tabled and reviewed by the ARMC. The respective head of departments were made responsible to ensure that corrective actions on the reported risks or weaknesses were taken within the required timeframes.</p> <p>For further details, please refer to ARMC Report of the Annual Report 2023.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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 function has been outsourced to BDO.</p> <p>The Internal Auditors reports to the ARMC. This reporting relationship promotes independence and objectivity, which assures adequate consideration of audit recommendations and planned corrective actions and gives the Internal Audit staff the authority needed for full, free and unrestricted access to all operations, records, property and personnel within the Group.</p> <p>The Internal Audit function is guided by The International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.</p> <p>The audit personnel from BDO are free from any relationships or conflicts of interest, which could impair the objectivity and independence during the course of the internal audit work.</p> <p>A team of 7 staffs who provide audit service to the Group is currently headed by Mr Karthigayan Supramaniam who is a member of the Malaysian Institute of Accountants.</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 12.1

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 maintains a dialogue with shareholders, directed towards ensuring a mutual understanding of objectives.</p> <p>The Company also ensure the communication with stakeholders is executed in a timely, concise and transparent manner through announcements via Bursa LINK, on the Company's website and the media.</p> <p>The Company's website includes an Investor Relations ("IR") section which is accessible to the public and provides all relevant information on the Company. This IR section enhances relations with the investors by including all announcements made by the Company, stock information, corporate information, financial information and all the policies adopted by the Company.</p> <p>The Executive Directors, Mr Chin Leong Choy and Encik Azlan Shah Bin Zainal Arif are directly involved in IR and are responsible for all IR queries. The Company also met with analysts, fund managers and investors to give them a better understanding of the Company, whenever possible. Stakeholders can always contact the Company through <a href="mailto:corporate@mrbc.com.my">corporate@mrbc.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is 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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board considers the Annual General Meeting (“AGM”) as an invaluable platform for shareholders to engage the Board and management of the Company in a productive and constructive two-way dialogue. As such, the Board strives to ensure that shareholders are accorded with sufficient time to prepare and accord due consideration to the resolutions that will be discussed and decided upon at the AGM.</p> <p>In 2022, the Company issued the 20th AGM Notice on 29 July 2022, i.e. 31 clear days prior to the AGM on 30 August 2022.</p> <p>In 2023, the Notice convening the 21st AGM scheduled to be held on 28 August 2023 is dated 28 July 2023, giving the shareholders 30 clear days’ notice (exclude the day of sending the notice and the day of the meeting).</p> <p>In addition to sending notice, the Company also published the AGM Notice on the nationally circulated newspaper alongside an announcement on the website of Bursa Securities and on its Company’s website. This allows shareholders to have immediate access on the notice of AGM and make the necessary preparations to attend the AGM or to participate, through corporate representatives, proxies or attorneys.</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**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the 20th AGM of the Company held on 30 August 2022, all meeting participants including the Chairman of the meeting, board members, senior management and shareholders participated virtually in the AGM.</p> <p>During the AGM, shareholders were invited to ask questions in relation to the resolutions being proposed before putting them to vote as well as matters relating to the Company's financial status and operations in general. All the questions raised were well attended by the Executive Director and Chief Financial Officer.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>At the 20th AGM held on 30 August 2022, the Company had conducted its electronic and virtual AGM through live streaming and online remote participation via Remote Participation and Voting facilities (“<b>RPV facilities</b>”) by appointing Tricor Investor &amp; Issuing House Services Sdn Bhd (“<b>Tricor</b>”) as Poll Administrator to conduct the polling process. This is in accordance with Section 327 of the Companies Act 2016 and Clause 64 of the Company’s Constitution which allows for General Meetings to be held at more than (1) one venue using any technology or electronic means.</p> <p>A fully virtual meeting has greatly enhanced the online participation of shareholders. Shareholders were encouraged to raise questions, suggestions or comments vide typed-text before or during the AGM. All the questions raised by the shareholders were responded.</p> <p>The Administrative Guide which set out all the details about the virtual AGM was published on the Company’s corporate website to facilitate the shareholders for registering themselves to participate in the AGM. The RPV facilities enable the shareholders to exercise their right as members of the Company to participate and vote in the 20th AGM.</p> <p>In addition, submission of e-Proxy Form is available on the RPV facilities for shareholders who were unable to deposit the hardcopy of the proxy forms to appoint proxies.</p> <p>During the 20th AGM, all the resolutions were put to vote by means of electronic poll voting using RPV facilities. An independent scrutineer was appointed to validate the poll results. Voting results of the AGM were announced by being displayed on the screen to shareholders/proxies after all resolutions were verified by the scrutineer.</p> <p>Similarly, the Company will hold its 21st AGM fully virtual in 2023 by using RPV facilities. The virtual AGM is in compliance with the Companies Act 2016 and other legal requirements.</p>

	<p>Tricor had adopted cyber hygiene practices to ensure data privacy and security to prevent cyber threats. To this, Tricor had confirmed that it has implemented an Information Technology and Information Security policy, endpoint controls and data classification for cyber hygiene practices of the staff. Stress test and penetration testing had been performed on TIIH Online to test its resiliency. To provide further assurance to the public, Tricor Malaysia is ISO27001 certified in October 2021. In addition to this, the TIIH Online is hosted on a secure cloud platform and the data centre is ISO27001 certified.</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>	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman recognises the importance of general meetings as the primary platform for two-way communication between board, senior management and shareholders for a meaningful interactions, effective communication and constructive feedback from the shareholders.</p> <p>Shareholders were given the ample time to submit questions relating to resolutions tabled at the 20th AGM or any questions relating to financial performance/prospect of the Company prior to or during the AGM. Real time submission of typed texts via RPV facilities provided by Tricor served as a primary channel of communication.</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 13.5

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>	:	<p>The 20th AGM was live streamed for access via TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>. The RPV facilities allow meeting participants to join the AGM remotely by using different electronic devices such as smartphones, tablets or computers as well as viewing live webcast of the meeting.</p> <p>TIIH Online website also allowed shareholders to pose questions to the Board via type-text. Questions posted by shareholders had been captured and transmitted to the Company for action and response, prior to and during the 20th AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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>	:	Minutes of AGM was prepared and published on the Company's corporate website no later than 30 business days after the AGM.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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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