

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6459
COMPANY NAME : MNRB Holdings Berhad
FINANCIAL YEAR : March 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board of MNRB Holdings Berhad ("MNRB") is responsible to lead and control the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company and its stakeholders. The Directors discharge their roles and duties with integrity, honesty and professionalism.</p> <p>The Board is principally responsible for: -</p> <p>Strategy Setting</p> <p>The Board reviews and approves business strategies, financial performance, major capital and operating budget and matters of policy. The Board monitors the management's performance in implementing the adopted strategies and it provides relevant direction and advice, where necessary, to ensure the achievement of the Company's objectives.</p> <p>For financial year 2022/2023, the annual Budget meeting was held in January 2022. The early deliberation of the annual Budget had enabled the Company's strategies for the coming financial year to be deliberated in advance and in ample time.</p> <p>Management of the Company</p> <p>The Board reviews management's performance, ensuring that the Company is properly managed.</p>

In carrying out his task, the President & GCEO is supported by the Group Management Committee, which comprised the President & GCEO as the Chairman, the President & CEOs of the key operating subsidiaries and Senior Management. The Group Management Committee provides a summary of the Group's and the Company's issues and financial performances to the Board every quarter.

The Group Compliance Management provides the Board with a report on the Group's and Company's compliance with statutory obligations as well as relevant rules and regulations. Non-compliance incidents and remedial action plans are tabled to the Board for information or approval, if any.

Risk Management

The Board ensures that principal risks are identified and adequate mitigating action plans are put in place. In ensuring adequacy of risk assessment and control, the Risk Management Committee of the Board ("RMCB") has been entrusted with providing oversight and governance of risks for the Company. The Corporate Risk Scorecard is presented to the RMCB and the Board every quarter.

The Statement of Risk Management and Internal Control is disclosed in the Company's Annual Report 2022.

Succession Planning

The Board is responsible to ensure candidates for the post of President & GCEO and other key roles are of high calibre. The Board has in place a succession planning strategy in replacing senior management, when necessary.

A summary on succession planning is disclosed in the Company's Sustainability Statement in the Annual Report 2022.

Integrity of Internal Control

The Board reviews the adequacy and integrity of the Company's internal control system on a regular basis and ensures that there is an effective and satisfactory framework for reporting internal financial controls and regulatory compliance. In addition, the Board continues to ensure the effective functioning of an Audit Committee and Internal Audit department.

	<p>Aside from its principal duty, the Board also ensures that all its Directors attend trainings and knowledge sharing sessions to continuously build upon their operational knowledge.</p> <p>The Board delegates review functions to the various Board Committees it has established. To ensure a more holistic review and oversight, the Chairman of each Board Committee provides a report to the Board on issues and matters raised at their respective meetings for the Board's further consideration.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Datuk Johar Che Mat, a Non-Independent Non-Executive Director ("NINED") has been the Chairman of the Company since 1 July 2019.</p> <p>The Chairman leads the Board and is also responsible for its performance. Together with the rest of the Board members, the Chairman sets the policy framework and strategies to align business activities with the Group's objectives. He ensures orderly conduct and proceedings of the Board, where healthy debate on issues being deliberated is encouraged to reflect an appropriate level of independence.</p> <p>In addition, the Chairman cultivates a healthy working relationship with the President & GCEO and provides the necessary support and advice as appropriate. The Chairman continues to demonstrate the highest standards of corporate governance practices and ensures that these practices are regularly communicated to all the stakeholders.</p> <p>The Chairman's profile can be found in the Company's Annual Report 2022 and the detailed role and responsibilities of the Chairman are mentioned in the Board Charter, as disclosed on the Company's corporate website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles and responsibilities of the Chairman and the President & GCEO are separated with a clear division of responsibilities as defined in the Board Charter.</p> <p>This distinction is to provide better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach facilitates efficiency, expedites decision making and ensures that no one individual has unfettered decision-making powers.</p> <p>The Chairman and the President & GCEO are not related to each other.</p> <p>The Chairman leads the Board and is also responsible for its performance. Together with the rest of the Board members, the Chairman sets the policy framework and strategies to align the business activities driven by the Senior Management Team with the Group's vision and mission. He ensures orderly conduct and proceedings of the Board, where healthy debate on issues being deliberated is encouraged to reflect an appropriate level of independence in views and opinion.</p> <p>On 1 July 2019, the Board had appointed and redesignated Datuk Johar Che Mat from Independent Non-Executive Director to Non-Independent Non-Executive Chairman/Director effective from the same date. Although the Chairman is a Non-Independent Non-Executive Director, his influence on the Board is balanced by the majority of Independent Non-Executive Directors.</p> <p>Zaharudin Daud was appointed as the President & GCEO of the Company effective on 23 November 2020. The President & GCEO is a channel between the Board and management in ensuring the execution of the Group's strategies and day-to-day business operations are performed at the highest level of integrity and transparency.</p>

	<p>He is also responsible for ensuring high management competency as well as the implementation of an effective management succession plan to sustain continuity of operations. He is also responsible for the implementation of policies and Board decisions as well as coordinating the development and implementation of corporate strategies.</p> <p>The President & GCEO also ensures that the financial management practice is at the highest level of integrity and transparency for the benefit of the shareholders and that the affairs of the Company are performed in an ethical manner.</p> <p>The President & GCEO's profile can be found in the Company's Annual Report 2022.</p>	
<p>Explanation for departure</p>	<p>:</p>	
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<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Applied
Explanation on application of the practice	: Datuk Johar Che Mat, Chairman of MNRB had relinquished his membership of the Nomination Committee and the Audit Committee effective 1 January 2022. The Chairman was also not invited to participate in the meeting and deliberation of the specified Board Committees mentioned in this Practice.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by a qualified and competent Company Secretary pursuant to Section 235(2) of the Companies Act 2016, namely Lena Abd Latif, a licensed Company Secretary by the Companies Commission of Malaysia.</p> <p>The Company Secretary attends and ensures that all Board meetings are properly convened, and that accurate and proper record of the proceedings and resolutions passed are taken and maintained in the statutory register at the registered office of the Company. The Company Secretary works closely with Management to ensure timely and appropriate information flows within and to the Board and Board Committees, and between the Directors and Management.</p> <p>The Company Secretary also serves notices to the Directors and all staff on the closed period for trading in MNRB shares, in accordance with the black-out periods for dealing in the Company's securities pursuant to Chapter 14 of the Listing Requirements. In addition to acting as the custodian of the Company's and the Group's statutory records, the Company Secretary serves and advises the Board on matters relating to the affairs of the Board and good corporate governance practices.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The agenda for Board meetings together with Board papers are furnished to the Directors not less than three (3) working days prior to the Board meeting. This allows time for the Directors to review the Board papers and facilitates full discussion at the Board meeting. Sufficient time is given to the Directors to enable them to obtain further explanations, where necessary, so that there will be full participation by Directors at the meeting.</p> <p>Proper guidelines have been given to Management pertaining to the content, presentation style and delivery of papers to the Board to ensure adequate information is disseminated to the Directors. In the event the papers are not prepared in accordance with the format above or are incomplete, the Company Secretary will assist to liaise with the originator to ensure adherence to the same.</p> <p>The Board meeting papers contain information in a form and of a quality appropriate to enable the Board to discharge its duties effectively. In order to maintain confidentiality, Board meeting papers are distributed with special password that is revised half yearly or when necessary.</p> <p>Each Head of Department is required to make presentation on proposal papers and brief/update Board members on operational issues from time to time to facilitate Directors in discharging their duties.</p> <p>The minutes of Board meetings are circulated to all Directors for their perusal prior to confirmation of the minutes at the following Board meeting. The Directors may request for clarification or raise comments before the minutes are tabled for confirmation and upon receiving confirmation from all the members at the Board meetings. The minutes are signed by the Chairman of the meeting as a correct record of the proceedings of the meeting.</p>

	<p>The Chairman with the assistance of the Company Secretary ensures that clear and accurate minutes of Board meetings which include the key deliberations, rationale for each decision made, and any significant concerns or dissenting views are recorded.</p> <p>The Company Secretary ensures that Board meeting decisions are disseminated to the President & GCEO and the relevant Heads of Department in a timely manner so that necessary actions can be taken by them.</p> <p>All Directors have full and unrestricted access to all information pertaining to the Group’s business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.</p> <p>All Directors have direct access to members of the Senior Management Team and the services of the Company Secretary to also enable them to discharge their duties effectively.</p> <p>The Directors may, if necessary, obtain independent professional advice from external consultants, at the Company’s expense.</p>	
<p>Explanation for departure</p>	<p>:</p>	
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<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is mindful of the need to protect the interests of its shareholders and other stakeholders. The Board had formalised a Board Charter setting out the duties, responsibilities and functions of the Board in accordance with the principles of good corporate governance set by the regulatory authorities.</p> <p>The roles and responsibilities of the Chairman, Board, Senior Independent Director, and President & GCEO are clearly outlined in the Board Charter. It also serves as a source of reference and primary induction literature to provide insights to prospective and/or newly appointed Board members and senior management.</p> <p>The Board Charter will be reviewed, when necessary, to incorporate updates and enhancements to the existing rules and regulations.</p> <p>The Board Charter is available on the Company's website at www.mnrb.com.my.</p> <p>In view of the challenges and recognising the demand of increased board leadership, the Directors are expected to continuously enhance their knowledge and skill pursuant to Paragraph 15.08 of the Listing Requirements.</p> <p>The Board is also responsible to ensure continuing education / training for the Directors to update their knowledge and enhance their skills in discharging their duties through attendance at relevant training programs.</p> <p>In this respect, the Directors had attended various training/conferences/seminars/ workshops programs during the financial year ended 31 March 2022, as follows: -</p>

Name of Director	Date	List of Training/ Conference/ Seminar/ Workshop Attended	Organiser/ Provider
Datuk Johar Che Mat	1 June 2021	"Special Presentation on Actuarial Contractual Liabilities for General Takaful Business"	MNRB Group
	30 June 2021	"Value of New Business and Embedded Value Concepts"	MNRB Group
	14 July 2021	PNB Knowledge Forum 2021 – "Rising above Covid-19: Reimagining Work in Malaysia and Beyond"	PNB
	6 September 2021	BNM-FIDE FORUM Dialogue – "Risk- Based Capital Framework for Insurers and Takaful Operators"	BNM-FIDE
	5 January 2022	2021 GSC Engagement Session – "FORUM: Empowering Shariah Mind in Islamic Financial Institution"	MNRB Group
	19 January 2022	Agile Leadership Awareness Program	MNRB Group
	7 March 2022	"Sustainability Awareness Session: Embracing Sustainable Future"	MNRB Group

Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/ Provider
George Oommen	8 April 2021	MICPA Webinar: "Digital Revolution: What Does the Future Hold?"	The Malaysian Institute of Certified Public Accountants (MICPA)
	20 April 2021	EY IFRS 17 Webinar: "The Journey Ahead for Life Insurers"	Messrs Ernst & Young
	1 June 2021	"Special Presentation on Actuarial Contractual Liabilities for General Takaful Business"	MNRB Group
	8 – 10 June 2021	MIA International Accountants Conference 2021	Malaysian Institute of Accountants ("MIA")
	14 June 2021	Asian School of Business: "Implementing Amendments in The Malaysian Code on Corporate Governance"	Asian School of Business
	30 June 2021	"Value of New Business and Embedded Value Concepts"	MNRB Group

Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/ Provider
George Oommen (Cont'd)	14 July 2021	PNB Knowledge Forum 2021: "Rising Above Covid-19: Reimagining Work in Malaysia & Beyond"	PNB
	6 September 2021	BNM-FIDE FORUM Dialogue – "Risk- Based Capital Framework for Insurers and Takaful Operators"	BNM-FIDE
	5 January 2022	2021 GSC Engagement Session – "FORUM: Empowering Shariah Mind in Islamic Financial Institution"	MNRB Group
	19 January 2022	Agile Leadership Awareness Program	MNRB Group
	7 March 2022	"Sustainability Awareness Session: Embracing Sustainable Future"	MNRB Group
Khalid Sufat	20 April 2021	BNM – FIDE FORUM – MASB Dialogue – "MFRS17 Insurance Contracts: What Every Director Must Know"	BNM-FIDE
	1 June 2021	"Special Presentation on Actuarial Contractual Liabilities for General Takaful Business"	MNRB Group

Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/ Provider
Khalid Sufat (Cont'd)	8-10 June 2021	MIA International Accountants Conference 2021: 'Navigating A Sustainable Future with Agility and Resilience'	MIA
	23-24 June 2021	The JC3 Flagship Conference 2021 – "Finance for Change"	BNM
	30 June 2021	"Value of New Business and Embedded Value Concepts"	MNRB Group
	5 July 2021	MIA Webinar Series – "Securities Commissions Guidelines on the Conduct of Directors of Listed Corporations and their Subsidiaries"	MIA
	8 July 2021	BNM-FIDE FORUM – "Dialogue on Risk Management in Technology (RMiT): Insights 1 year on"	BNM-FIDE
	14 July 2021	PNB Knowledge Forum 2021 – "Rising Above Covid-19: Reimagining Work in Malaysia & Beyond"	PNB
	29 July 2021	"Knowledge Sharing Session: International Financial Reporting Standards (IFRS9) and Risk Adjusted Return on Capital (RAROC)"	Kuwait Finance House (Malaysia) Berhad ("KFH")

Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/ Provider
Khalid Sufat (Cont'd)	24 August 2021	"Rethinking Cybersecurity in the New Norm"	Securities Industry Development Corporation
	1 October 2021	"Compliance Resilience – Emerging Trends and Challenges On AML/CFT"	KFH
	2 December 2021	"Cyber Risk Awareness"	KFH
	5 January 2022	2021 GSC Engagement Session – "FORUM: Empowering Shariah Mind in Islamic Financial Institution"	MNRB Group
	19 January 2022	Agile Leadership Awareness Program	MNRB Group
	7 March 2022	"Sustainability Awareness Session: Embracing Sustainable Future"	MNRB Group
Junaidah Mohd Said	20 April 2021	BNM – FIDE FORUM - MASB Dialogue – "MFRS17 Insurance Contracts: What Every Director Must Know"	BNM-FIDE
	1 June 2021	"Special Presentation on Actuarial Contractual Liabilities for General Takaful Business"	MNRB Group

Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/ Provider
Junaidah Mohd Said (Cont'd)	3-4 June 2021	"Board's Role in the Changing World of Work"	Asia School of Business
	30 June 2021	Value of New Business and Embedded Value Concepts"	MNRB Group
	14 July 2021	PNB Knowledge Forum 2021 – "Rising Above Covid-19: Reimagining Work in Malaysia & Beyond"	PNB
	24 August 2021	"Rethinking Cybersecurity in the New Norm"	SIDC
	4-5 October 2021	"Governance in Groups"	Asia School of Business
	5 January 2022	2021 GSC Engagement Session – "FORUM: Empowering Shariah Mind in Islamic Financial Institution"	MNRB Group
	19 January 2022	Agile Leadership Awareness Program	MNRB Group
	20 January 2022	FIDE Elective – "Climate Change: Impact of	FIDE
7 March 2022	"Sustainability Awareness Session: Embracing Sustainable Future"	MNRB Group	

Name of Director	Date	List of Training/Conference/Seminar/Workshop Attended	Organiser/ Provider
Zaida Khalida Shaari	20 April 2021	BNM – FIDE FORUM - MASB Dialogue – “MFRS17 Insurance Contracts: What Every Director Must Know”	BNM-FIDE
	1 June 2021	“Special Presentation on Actuarial Contractual Liabilities for General Takaful Business”	MNRB Group
	30 June 2021	“Value of New Business and Embedded Value Concepts”	MNRB Group
	24 August 2021	“Rethinking Cybersecurity in the New Norm”	SIDC
	5 January 2022	2021 GSC Engagement Session – “FORUM: Empowering Shariah Mind in Islamic Financial Institution”	MNRB Group
	19 January 2022	Agile Leadership Awareness Program	MNRB Group
	7 March 2022	“Sustainability Awareness Session: Embracing Sustainable Future”	MNRB Group

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Intended Outcome

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

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

Practice 3.1

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

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

Application	: Applied
Explanation on application of the practice	<p>The Code of Ethics promotes a culture of compliance, professionalism, ethical standards and responsible conduct among its Board of Directors (including Group Shariah Committee members), management, employees and stakeholders, as well as third parties, and discourages any conduct that may have an adverse impact to the Group. It makes references to the underlying Group policies and procedures, which offers specific ethical and legal guidance to assist the Group in making business decisions professionally, prudently and legitimately.</p> <p>The purpose of this Code is to: -</p> <ul style="list-style-type: none">• Ensure compliance with the regulatory rules and regulations as well as all the internal policies and procedures;• Uphold the reputation of the Group and maintain public confidence; and• Uphold the highest standard of personal integrity and professionalism of MNRB Group. <p>1. The Foundations on How We Do Business as a Group</p> <p>The Group runs its business based on:</p> <ol style="list-style-type: none">i. Integrity, intelligence, care and professionalism;ii. Equal opportunities and non-discrimination to all;iii. Zero-tolerance on any type of harassment and violence;iv. Safe and sound working environment;v. Ethical internal and external communication;vi. Proper dealing with confidential information; andvii. Commitment towards sustainable development

2. MNRB Group's Stand Against Corruption

The Group has adopted a zero-tolerance approach against all forms of bribery and corruption. We are committed to conduct our business in accordance with all applicable laws, rules and regulations at the highest ethical standards. The Group has established its Group Anti-Bribery & Corruption Policy ("ABC Policy") to show its commitment in combatting corruption and to support the National Anti-Corruption Plan ("NACP") initiated by the Government.

3. Dealing with Stakeholders

The Group always act with the best interests of the Group and stakeholders in mind. In no way should a staff personally profit from transactions based on his / her role or position in the Group. Potential conflicts of interest should be avoided, either real or perceived.

The Group is committed to comply with the anti-money laundering and counter financing of terrorism rules and regulations by prohibiting and actively prevent any activity that facilitates money laundering and financing of terrorism.

As a responsible corporate citizen, we are committed to contributing to the wellbeing of the people and the country. It is important that all Corporate Social Responsibility ("CSR"), sponsorships and donations are made in accordance with the Group policies.

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

The Directors observe a code of ethics in accordance with the code of conduct expected of Directors of a Financial Holding Company outlined as follows: -

1. Compliance at all times with the Code of Ethics and the Board Charter.
2. Observe high standards of corporate governance at all times.
3. Adhere to the principles of integrity, objectivity, accountability, openness, honesty and leadership.
4. Act in good faith and in the best interest of the Company.
5. Not misuse information gained in the course of duties for personal gain or for political purpose, nor seek to use the opportunity of the service as Directors to promote their private interests or those of connected persons, firms, businesses or other organisations.

	<p>6. Uphold accountability at all times. This includes ensuring that the Company’s resources are properly safeguarded and the Company conducts its operations as economically, efficiently and effectively as possible at all times.</p> <p>7. Declaration of any personal, professional or business interests that may conflict with Directors’ responsibilities. Guidance on declaration and registration of interests is given in the section entitled “Declaration of Interests”.</p> <p>8. Follow the guidelines on acceptance of gifts and hospitality as stated in the section entitled “Guidelines on Acceptance of Gifts”.</p>	
<p>Explanation for departure</p>	<p>:</p>	
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<p>Measure</p>	<p>:</p>	
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Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>MNRB is committed to carrying out its business in accordance with the highest standards of professionalism, honesty, integrity and ethics. Accordingly, it has established a Whistleblowing Policy with the following objectives: -</p> <ol style="list-style-type: none">1. To help develop a culture of accountability and integrity within the Company and the Group;2. To provide a safe and confidential avenue for directors, employees and other parties to raise concerns about any unacceptable practice or misconduct;3. To reassure whistleblowers that they will be protected from detrimental action or unfair treatment for disclosing concerns in good faith; and4. To deter wrongdoing and promote standards of good corporate practices. <p>This Policy governs the disclosures, reporting and investigation of misconduct within the Group as well as the protection offered to the persons making those disclosures from detrimental action in accordance with the Whistleblower Protection Act, 2010.</p> <p>It is the Company's objective to encourage its directors, employees and other parties to disclose any misconduct, and to fully investigate disclosures of such misconduct, as well as to provide the whistleblower protection in terms of confidentiality of information, and to safeguard the whistleblower from any act of interference that may be detrimental to the whistleblower. The Company assures whistleblowers that all disclosures will be treated with strict confidentiality and prompt investigation will be carried out.</p>

	<p>The official avenues for disclosure by the whistleblower are via any of the following recipients: -</p> <ol style="list-style-type: none"> 1. The Chairman of MNRB; 2. The Chairman of the Audit Committee of MNRB; and/or 3. The President & GCEO. <p>The disclosure of misconduct or wrongdoing shall be made in writing via official email provided in the Company's website.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>MNRB Group's Sustainability Policy are overseen by the Board of Directors and reinforced by the Risk Management Committee of the Board ("RMCB"), the Group Shariah Committee ("GSC"), the Group Management for Risk and Compliance Committee ("GMRCC") and the Sustainability Working Group. Annually, the Group produces the Sustainability Statement in its Annual Report which describes the sustainable development and performance across the Group, in areas of corporate and business operations, initiatives, measures, and relevant accomplishments.</p> <p>The Statement is guided by the Sustainability Reporting Guidelines and toolkits issued by Bursa Malaysia. Our sustainability approach is aligned with the United Nations Environment Programme Finance Initiative's Principle for Sustainable Insurance, United Nation's Sustainable Development Goals, BNM's Value-Based Intermediation (VBI) and MTA's Value-Based Intermediation for Takaful (VBIT) Framework.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>MNRB Group’s Sustainability Statement in its Annual Report includes sections covering its sustainability approach, sustainability matters, initiatives, and accomplishments for the year.</p> <p>The Company Annual Report 2022 is available on the Group’s corporate website at https://www.mnrb.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	During the financial year 2022, the Board had attended an awareness session on sustainability conducted by KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG") in which the topics covered the relevant regulatory landscape, sustainability risk and opportunities as well as sustainability governance and the Board's roles and responsibilities. Further trainings and capability buildings are planned to be conducted in the financial year 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>Board Evaluation Exercise (“BEE”) was performed annually by way of questionnaires which were issued/distributed to the Board members for completion.</p> <p>Through the conduct of the BEE, the Board’s commitment, and level of performance on sustainability related matters were assessed. Based on findings, it was highlighted that appropriate trainings had been organized in order to keep the Board abreast with the latest developments in the industry in relation to regulatory requirements and ESG.</p> <p>Performance evaluation of the senior management is reviewed via the inclusion of sustainability-related initiatives in the Corporate KPI of each entity across the Group.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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.

Application	:	Adopted
Explanation on adoption of the practice	:	A dedicated function to oversee the implementation of the Group's Sustainability Roadmap (including the integration of sustainability considerations, guided by the Principle of Sustainable Insurance) has been established under Group Corporate Strategy & Planning Department, under the purview of the Group Chief Strategy Officer.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by the Group Nomination & Remuneration Committee ("GNRC") to assist the Board in the nomination of new Directors and key Senior Management, assessing the effectiveness of the Board and its Committees and recommending remuneration packages and assessing the performance of the President & GCEO and Key Senior Management, in accordance with the Terms of Reference of GNRC.</p> <p>The GNRC is entrusted with the responsibility of ensuring a candidate who is nominated for Board appointment is assessed and fulfilled all fit and proper criteria before he is shortlisted and proposed to the Board for deliberation.</p> <p>The GNRC assesses the Board on a yearly basis to identify the performance level of directors as well as to understand areas of improvement within the Board. The GNRC uses this annual Board Effectiveness Evaluation ("BEE") in its annual review of the Board.</p> <p>The GNRC takes into consideration the current Board skill-set, composition as well as regulatory requirements in maintaining a well-balanced Board that allows for good governance and efficient management of the Group.</p> <p>In relation to the recruitment of Senior Management personnel, the GNRC ensures that any potential candidate for President & GCEO and Board Appointments meets the necessary skill-set required along with the experience acquired within the industry.</p> <p>Pursuant to Bank Negara Malaysia's ("BNM") Policy Document on Corporate Governance, the Company is required to apply to BNM for the reappointment of its Directors at least three (3) months prior to the expiry of their terms of appointment, should the Company wish to extend their appointments. Prior to such application, the relevant Directors will be subject to assessment by the GNRC and are required</p>

	<p>to give consent on their reappointment prior to the recommendation being made.</p> <p>In assessing the candidates for reappointment, the GNRC takes into consideration their attributes, competencies, contributions in terms of discussion on financial performance, strategic matters, business planning, independence of views in respect of decision making, roles played and contributions to the Board and Board Committees and adequacy of training, as well as the BEE result.</p> <p>The GNRC reviews the schedule of retirement by rotation and the Director's eligibility to stand for re-election, taking into account their tenure of service in accordance with the revised Group Independent Directors' Policy adopted by the Board on 30 March 2022 where the Company shall not retain an Independent Director for a period of more than nine (9) years. In this respect, all the Independent Non-Executive Directors of MNRB have served the Board for less than nine (9) years as at 31 March 2022.</p> <p>On 30 November 2021, the Board through the recommendation of the Nomination Committee had approved the consolidation of Board Committees of the Company with effect from 1 January 2022. This proposed exercise entails a revision to the existing Board structures throughout the Group. It involved the following:-</p> <ul style="list-style-type: none"> (i) The Nomination Committee and Remuneration Committee of MNRB were collapsed and re-established as the GNRC and it resides at MNRB. (ii) The various Nomination Committee and Remuneration Committee of the subsidiaries were collapsed and they then leverage on GNRC. <p>At MNRB, the rationale to combine the Nomination Committee and Remuneration Committee is to enhance the efficiency of its function in discharging its duties and responsibilities. The Board believes that a centralised GNRC is able to consider nomination and remuneration matters/proposals within the context of Group instead of just on entity level perspective. This also promotes synergy and consistency of practices across the MNRB Group.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied				
Explanation on application of the practice	:	<p>During the financial year ended 31 March 2022, the Board comprised six (6) members, all of whom are Non-Executive Directors, including the Chairman. Five (5) of these members are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Chairman/Director.</p> <p>The presence of majority independent directors allows the Board to apply heightened professional vigilance and challenge the Management in an unbiased manner and prevent dominance and complacency in the boardroom. The percentage of the Board composition is as follows: -</p> <table border="1"><tr><td>Independent Non-Executive Directors</td><td>5 out of 6 83.3%</td></tr><tr><td>Non-Independent Non-Executive Chairman/Director</td><td>1 out of 6 16.7%</td></tr></table> <p>The composition of the Board complied with the Listing Requirements where at least two (2) Directors or one-third of the Board, whichever is the higher, must comprise Independent Directors. As at the end of the financial year, 83.3% of the Board comprised Independent Directors.</p> <p>Below is the list of the Independent Non-Executive Directors on the Board: -</p> <ol style="list-style-type: none">1. George Oommen.2. Khalid Sufat.3. Junaidah Mohd Said.4. Zaida Khalida Shaari.5. Dato' Wan Roshdi Wan Musa.	Independent Non-Executive Directors	5 out of 6 83.3%	Non-Independent Non-Executive Chairman/Director	1 out of 6 16.7%
Independent Non-Executive Directors	5 out of 6 83.3%					
Non-Independent Non-Executive Chairman/Director	1 out of 6 16.7%					
Explanation for departure	:					
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>						

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

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

Intended Outcome

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

Practice 5.4 - Step Up

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

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.

Application	: Adopted																					
Explanation on adoption of the practice	: <p>The Board has adopted a policy where Independent Non-Executive Directors (“INEDs”) may be reappointed for a new term provided that such service tenure does not exceed a consecutive or cumulative term of 9 years. The Company shall therefore not retain an Independent Director for a period of more than nine (9) years.</p> <p>None of the Independent Directors of the Company has served for a cumulative period of more than nine (9) years during the financial year. The tenure of the INEDs as at the financial year ended 31 March 2022, is as follows:-</p> <table border="1"><thead><tr><th>Name</th><th>Appointment Date</th><th>Tenure in the Company</th></tr></thead><tbody><tr><td>Datuk Johar Che Mat</td><td>1 October 2017</td><td>4 years, 6 months</td></tr><tr><td>George Oommen</td><td>1 January 2018</td><td>4 years, 3 months</td></tr><tr><td>Khalid Sufat</td><td>1 October 2019</td><td>2 years, 6 months</td></tr><tr><td>Junaidah Mohd Said</td><td>1 October 2019</td><td>2 years, 6 months</td></tr><tr><td>Zaida Khalida Shaari</td><td>1 October 2019</td><td>2 years, 6 months</td></tr><tr><td>Dato' Wan Roshdi Wan Musa</td><td>1 April 2020</td><td>2 years</td></tr></tbody></table> <p>In order to promote a holistic adoption of corporate governance practices and culture within the group, the GNRC had recommended to streamline the revised Group Independent Directors' Policy across the MNRB Group and was approved by the Board on 30 March 2022.</p>	Name	Appointment Date	Tenure in the Company	Datuk Johar Che Mat	1 October 2017	4 years, 6 months	George Oommen	1 January 2018	4 years, 3 months	Khalid Sufat	1 October 2019	2 years, 6 months	Junaidah Mohd Said	1 October 2019	2 years, 6 months	Zaida Khalida Shaari	1 October 2019	2 years, 6 months	Dato' Wan Roshdi Wan Musa	1 April 2020	2 years
Name	Appointment Date	Tenure in the Company																				
Datuk Johar Che Mat	1 October 2017	4 years, 6 months																				
George Oommen	1 January 2018	4 years, 3 months																				
Khalid Sufat	1 October 2019	2 years, 6 months																				
Junaidah Mohd Said	1 October 2019	2 years, 6 months																				
Zaida Khalida Shaari	1 October 2019	2 years, 6 months																				
Dato' Wan Roshdi Wan Musa	1 April 2020	2 years																				

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations and the MNRB Group embraces the proposition that having a diverse Board would have a positive, value-relevant impact on the MNRB Group. In this regard, the Board comprises members with relevant expertise and experience drawn from business, financial and technical fronts which strengthens leadership and management.</p> <p>The appointment of new Board members and Key Senior Management (Board Appointments) is considered and properly evaluated by the GNRC.</p> <p>Upon completing this process, the GNRC shall recommend the proposed appointment to the Board for its deliberation and approval. In making these recommendations, the GNRC assesses the suitability of candidates, taking into account the required mix of skills, knowledge, expertise and experience, as well as professionalism, integrity including financial integrity, competencies and other qualities, before recommending them to the Board for appointment.</p> <p>An engagement session is always held between members of the GNRC and the candidate prior to tabling its recommendation to the Board. The GNRC and the Board will devote sufficient time to review, deliberate and finalise the selection of Directors and Key Senior Management (Board Appointments).</p> <p>In this aspect, the Company Secretary will ensure that all the necessary information is obtained and relevant legal and regulatory requirements are complied with. The Board is also guided by the Fit and Proper Policy for Key Responsible Persons.</p>

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

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Apart from recommendations made by Management and major shareholders, the Company also leverages on the Independent Directors' network to source for new candidates for Board appointments and is overseen by the GNRC.</p> <p>This is the approach taken over the years for nomination of the Company's suitably qualified candidates as new directors.</p> <p>Nevertheless, the Company may also consider other independent sources such as the Financial Institutions Directors' Education (FIDE) or the 30% Club and reputable recruitment agencies to source for candidates.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that shareholders are kept informed on the changes to the Board and it's supporting Board Committees. Any changes to the Board with regard to its composition and structure is disclosed via the Bursa Malaysia Announcement Link within the stipulated time required by the regulators. The Company's corporate website is also promptly updated to disclose the changes to the Board composition.</p> <p>The following Directors shall retire and reappoint at the forthcoming AGM of the Company pursuant to Clause 91 of the Company's Constitution: -</p> <ol style="list-style-type: none">1. Khalid Sufat2. Junaidah Mohd Said <p>The Board is satisfied and agreed to endorse the reappointment of the abovementioned Directors and put forward the resolutions for their re-election for shareholders' approval at the 49th AGM of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Group Nomination & Remuneration Committee is chaired by an INED, Zaida Khalida Shaari. Her profile can be found in the Company's Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board takes cognisance of the recommendation to ensure that the majority of its Directors are Independent Directors as well as to have diversity in terms of gender and ethnicity in the Board.</p> <p>In advancing the gender diversity agenda, the Board currently has two (2) women members, representing 33.3% of the total Board Members. They provide the Board with gender diversity that serves to bring value to Board discussions from the different perspectives and approaches of the women Directors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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>With a view to achieving a sustainable and balanced development, the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives.</p> <p>In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, and knowledge. Selection of candidates will be based on the above 8 aspects. All appointments to the Board and to the Senior Management Team must be based on merit.</p> <p>Although the current Board Diversity Policy is silent on the specific targets on gender diversity, the Board, through the GNRC, will take steps to ensure that women candidates are sought as part of its recruitment exercise, subject to their competency and suitability, a meritocracy system.</p> <p>The Board believes that the right blend of skills, experience and diversity for the Board and the Senior Management are essential elements of ensuring its effectiveness, which in turns leads to the long-term success of the Company.</p> <p>The GNRC is responsible for regularly reviewing the structure, size and composition of the Board, with due regard to skills, knowledge, experience and diversity. It leads the process for Board appointments, re-election and succession of Directors and makes recommendations to the Board, including the composition and skills of the Board, proposed changes to the Board and the membership of the Board Committees.</p> <p>The succession plan for the Key Senior Management Team is also be reviewed by the Nomination Committee prior to it being presented to the Board. The said appointment is also based on merit and leadership skills, with due regard for diversity in skills, experience, age, ethnicity/cultural background and gender. It also takes into account the challenges and opportunities facing the Group as well as future skills</p>

	and expertise needed to allow the Group to compete effectively in its market.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>Up until 1 January 2022, the Nomination Committee carried out the Board Effectiveness Evaluation (“BEE”) exercise annually. The Board, had in May 2021 resolved that an independent expert be appointed to facilitate the BEE exercise once every three (3) years. On 30 November 2020, the Board through the Nomination Committee’s recommendation approved the appointment of Securities Services (Holdings) Sdn. Bhd (“SSHSB”) as the External Consultant to undertake the Board & Board Committees and each Individual Director of the Company.</p> <p>On 5 April 2022, the GNRC had deliberated and approved the BEE questionnaires taking into account among others, the revised requirements of the Malaysian Code of Corporate Governance 2021 issued on April 28, 2021 and as a follow through from the last evaluation performed by the independent consultant, SSHSB.</p> <p>The GNRC also performed the Annual Assessment on the Effectiveness of the Board, Directors’ Peer Evaluation as well as the Evaluation of the President & GCEO.</p> <p>The process was internally facilitated and conducted through questionnaires circulated to the Board covering a spectrum of qualities associated with the Board’s Effectiveness, Strategic Plan, Composition, Operations, Performance of the President & GCEO as well as Directors’ Peer Evaluation that encapsulates amongst others contribution, performance and calibre of Individual Director.</p>

	<p>These questionnaires were designed and carefully selected by the GNRC to ascertain the Board’s and Individual Directors’ strength and gaps or areas for improvement.</p> <p>The Company Secretary would then compile the results and summarise the report on the assessment for the GNRC’s consideration before recommending to the Board. The findings also form part of the Board’s evaluation for the reappointment of existing Directors and the President & GCEO.</p> <p>In addition to the Board Annual Assessment described above, the GNRC also reviewed the term of office and performance of the Audit Committee and its members in line with the requirement under paragraph 15.20 of the Listing Requirements. Based on the Corporate Governance Guide issued by Bursa Securities, the assessment of the Audit Committee would include assessment on the Quality & Composition, Skills & Competencies and Meeting Considerations & Conduct.</p> <p>The GNRC, having deliberated the findings, would report to the Chairman of the Board the results and highlight those matters that require further discussion and direction and thereafter table to the Board for its approval.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Up until 1 January 2022, the Remuneration Committee recommends to the Board the appropriate remuneration packages for the Directors and the Board Appointees in order to attract, motivate and retain talents.</p> <p>The Board has in place a Remuneration Policy to reward the Directors and the Board Appointees competitively, taking into account performance, market comparisons and competitive pressures in the industry. Whilst not seeking to maintain a strict market position, the Remuneration Committee takes into account comparable roles in similar organisations that may be of the same in size, market sector or business complexity.</p> <p>On March 30, 2021, the Board had approved the revision to the MNRB Group Non-Executive Directors' Remuneration Policy. The said Policy reflects the Company's commitment to attract and retain talented and well-qualified Directors. This is crucial in order to provide remuneration that would reasonably reflect the time commitment and risks and, to commensurate with the duties and responsibilities of the Directors.</p> <p>Besides the above, the said Policy also includes provisions relating to the treatment on remuneration for Executive Director and Officers of the Company who are appointed as the Company's nominee directors.</p> <p>The MNRB Group Non-Executive Directors' Remuneration Policy is available on the Company's website at www.mnrb.com.my.</p>

	<p>The President & GCEO was paid in line with the Company’s general remuneration policy for its Senior Management. His remuneration was structured so as to link rewards to corporate and individual performance. He was not paid any Directors’ Fees and Meeting Attendance Allowances for the Board and Board Committee meetings that he attends.</p> <p>All Non-Executive Directors (“NEDs”) are paid Directors’ Fees, which are recommended by the Board and approved by the shareholders at the Annual General Meeting (“AGM”). Since the 47th AGM in 2020, the Directors’ Fees was paid on quarterly basis to the NEDs instead in arrears after the AGM.</p> <p>The Board was of the view that it is just and equitable for the NEDs to be paid such payment on a quarterly basis after they have discharged their responsibilities and rendered their services to the Company.</p> <p>The remuneration policy for the Senior Management is in line with the business strategy, objectives, values and long-term goals and interests of the Company.</p> <p>Further details on the remuneration of the NED’s, Group Shariah Committee, President & GCEO and Board Appointees can be found in the Company’s Annual Report 2022.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board delegated to GNRC the responsibility to review and recommend matters relating to the remuneration of Board, the President & GCEO and Board Appointments as stated in the Terms of Reference of the GNRC.</p> <p>The Board has confirmed its satisfaction with the performance of the GNRC in discharging its duties and responsibilities in accordance with its Terms of Reference in respect of remuneration matters.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration (including benefits-in-kind) of each Director during the financial year ended 31 March 2022 are disclosed in the Company's Annual Report 2022.

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 Johar Che Mat	Non-Executive Non-Independent Director	168	Input info here	Input info here	Input info here	31	36	235	428	Input info here	Input info here	Input info here	31	120	579
2	George Oommen	Independent Director	118	Input info here	Input info here	Input info here	Input info here	35	153	435	Input info here	Input info here	Input info here	Input info here	131	566
3	Khalid Sufat	Independent Director	127	Input info here	Input info here	Input info here	Input info here	33	160	250	Input info here	Input info here	Input info here	Input info here	61	311
4	Junaidah Mohd Said	Independent Director	112	Input info here	Input info here	Input info here	Input info here	36	148	112	Input info here	Input info here	Input info here	Input info here	41	153
5	Zaida Khalida Shaari	Independent Director	109	Input info here	Input info here	Input info here	Input info here	33	142	109	Input info here	Input info here	Input info here	Input info here	36	145
6	Dato' Wan Roshdi Wan Musa	Independent Director	104	Input info here	Input info here	Input info here	Input info here	30	134	104	Input info here	Input info here	Input info here	Input info here	35	139
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:	Instruction – Please disclose the required information in the table below. Sole reference to the annual report, without disclosing the required information in the table provided is not allowed.	
Explanation for departure	:	The Board is of the opinion that it is not to the Company's advantage or best business interest for such disclosure considering the highly competitive market for talents in the industry.	
		The remuneration of the President & GCEO is disclosed in the Notes to the Financial Statements.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board will closely monitor the development in the market in respect of such disclosure for future consideration. This will be reviewed on annual basis in its effort towards the application of Practice 8.2.	
Timeframe	:	Others	Please specify number of years.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit Committee is Khalid Sufat, an Independent Non-Executive Director who is not the Chairman of the Company's Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	None of the members of the Audit Committee are former key audit partners.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The authorities and responsibilities of the Audit Committee are clearly stated in its Term of Reference.</p> <p>The Audit Committee is responsible to recommend to the Board on the appointment, removal and remuneration of the External Auditor, which is in line with BNM's policy document BNM/RH/GL 018-4 External Auditor. Audit Committee has assessed the External Auditor's qualification criteria as set out by BNM, which includes evaluating the independence, objectivity and performance of the auditor.</p> <p>It is a practice of the Audit Committee to meet up with the External Auditor to discuss its audit plan, audit findings and their views in respect of the true and fair view of the financial statements. Meetings without the presence of the other directors and employees of the Company are also held with External Auditor, which enables the Audit Committee to evaluate its suitability, objectivity and independence.</p> <p>In terms of provision of non-audit services, whilst the External Auditor is not precluded from consideration for the provision of advisory, consultancy or other types of non-audit services, due care is taken in the selection process in order to ensure that the appointment does not impede on the independence, quality and conduct of the statutory audit.</p> <p>Summary of Activities during the financial year: -</p> <ul style="list-style-type: none">• Reviewed and approved the External Auditor's audit plans;• Meeting with External Auditor without the presence of the Management to discuss matters and key observations noted during the course of the annual audit;• Reviewed and recommended for Board's approval the audit fees and provision of non-audit services by the External Auditor in accordance with established procedures; evaluated whether such non-audit services would impair the External Auditor's independence and objectivity; and

	<ul style="list-style-type: none"> • Completed the annual assessment on the External Auditor prior to recommendation to the Board on its reappointment; the principal areas assessed were in accordance with BNM’s policy document covering performance, independence and objectivity. <p>Accordingly, the assessment undertaken, amongst others, covered: -</p> <ul style="list-style-type: none"> • Level of knowledge, capabilities experience and quality of previous work; • Level of engagement with the Audit Committee; • Ability to provide constructive observations, implications and recommendations in areas which require improvements; • Appropriateness of audit approach and the effectiveness of audit planning • Ability to perform the audit work within the agreed duration given; • Non-audit services rendered by the External Auditor so that it does not impede their independence; • Auditor demonstrates unbiased stance when interpreting the standards/policy adopted by the Company; and • Level of participation of, and professional scepticism exercised by, the engagement partner. <p>Being satisfied with Messrs. Ernst & Young’ PLTs (“EY”) performance during the financial year ended 31 March 2021 on their technical competency and audit independence as well as fulfilment of criteria as set out in BNM’s policy document, the Audit Committee had on 21 May 2021 recommended the reappointment of EY as External Auditor for the financial year ended 31 March 2022.</p> <p>The Board, at its meeting held on 28 May 2021, had approved the Audit Committee’s recommendation for the reappointment of EY as External Auditor of the Company for the financial year ended 31 March 2022. The shareholders’ resolution was sought under Ordinary Resolution 6.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted								
Explanation on adoption of the practice	:	As at 31 March 2022, the Audit Committee comprises three (3) members. All of whom are Independent Directors: - <table border="1" data-bbox="539 734 1337 996"><thead><tr><th>No.</th><th>Name of Director/Directorate</th></tr></thead><tbody><tr><td>1.</td><td>Khalid Sufat Chairman, Independent Non-Executive Director</td></tr><tr><td>2.</td><td>George Oommen Member, Independent Non-Executive Director</td></tr><tr><td>3.</td><td>Junaidah Mohd Said Member, Independent Non-Executive Director</td></tr></tbody></table>	No.	Name of Director/Directorate	1.	Khalid Sufat Chairman, Independent Non-Executive Director	2.	George Oommen Member, Independent Non-Executive Director	3.	Junaidah Mohd Said Member, Independent Non-Executive Director
No.	Name of Director/Directorate									
1.	Khalid Sufat Chairman, Independent Non-Executive Director									
2.	George Oommen Member, Independent Non-Executive Director									
3.	Junaidah Mohd Said Member, Independent Non-Executive Director									

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Audit Committee possess diverse skill sets and are financially literate and have necessary knowledge and/or experience to review financial and non-financial reporting processes and matters under the purview of the Audit Committee. The Chairman and members of Audit Committee have carried out their duties and responsibilities in accordance with the Terms of Reference of the Audit Committee.</p> <p>The Board reviews the terms of office of the Audit Committee members and assesses the performance of the Audit Committee and its members through an annual Audit Committee evaluation.</p> <p>The Audit Committee members attended various training programmes to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as well as other development programmes. The training programmes attended by the Audit Committee members during the year under review are set out in Practice 2.1 of this Corporate Governance Report.</p> <p>A summary of activities of the Audit Committee for the year under review are disclosed in the Audit Committee Report in the Company's Annual Report 2022.</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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board affirms its overall responsibility for the establishment and oversight of the Group's risk management and internal control system, as well as the review of its adequacy and effectiveness.</p> <p>The Board also recognises that risk management is a continuous process, designed to manage risks impacting the Group's business strategies and objectives, within the risk appetite and tolerance established by the Board. In pursuing these objectives, the Board takes cognizance of internal control systems can only provide reasonable, but not absolute, assurance against any material financial misstatement, fraud or losses.</p> <p>Further details on the state of the Group's risk management and Internal Controls can be found in the Statement on Risk Management and Internal Controls in the Company's Annual Report 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has disclosed the key features of its risk management and internal control system as well as its adequacy and effectiveness in the Statement on Risk Management and Internal Control in the Company's Annual Report 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	: Adopted										
Explanation on adoption of the practice	<p>The Risk Management Committee of the Board ("RMCB") comprises three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, a majority of whom are independent directors: -</p> <table border="1"><thead><tr><th>No.</th><th>Name of Director</th></tr></thead><tbody><tr><td>1.</td><td>George Oommen Chairman, Senior Independent Non-Executive Director</td></tr><tr><td>2.</td><td>Dato' Wan Roshdi Wan Musa Member, Independent Non-Executive Director</td></tr><tr><td>3.</td><td>Datuk Johar Che Mat Member, Non-Independent Non-Executive Director</td></tr><tr><td>4.</td><td>Zaida Khalida Shaari Member, Independent Non-Executive Director</td></tr></tbody></table> <p>The composition of the RMCB, the profile of each member and details of meetings attended can be found in the Company's Annual Report 2022.</p> <p>The RMCB has clear written Terms of Reference and the Board receives reports of its proceedings and deliberations. The Chairman of the RMCB will report to the Board the outcome of its meetings and such reports are incorporated in the minutes of the Board meeting.</p> <p>The RMCB is responsible for: -</p> <ul style="list-style-type: none">• Reviewing and recommending risk management strategies, policies, risk appetite and tolerance limits for the Board's approval;• Reviewing and recommending compliance management strategies and policies for the Board's approval;	No.	Name of Director	1.	George Oommen Chairman, Senior Independent Non-Executive Director	2.	Dato' Wan Roshdi Wan Musa Member, Independent Non-Executive Director	3.	Datuk Johar Che Mat Member, Non-Independent Non-Executive Director	4.	Zaida Khalida Shaari Member, Independent Non-Executive Director
No.	Name of Director										
1.	George Oommen Chairman, Senior Independent Non-Executive Director										
2.	Dato' Wan Roshdi Wan Musa Member, Independent Non-Executive Director										
3.	Datuk Johar Che Mat Member, Non-Independent Non-Executive Director										
4.	Zaida Khalida Shaari Member, Independent Non-Executive Director										

	<ul style="list-style-type: none">• Reviewing the adequacy of the Group Enterprise Risk Management (Group ERM) Framework, Group Compliance Management Framework and other risk and compliance related frameworks, policies and systems and the extent to which these are operating effectively in supporting the Group’s corporate objectives;• Ensuring sound internal governance and adequate infrastructure, resources and systems are in place for an effective risk management and compliance management and the staff responsible for implementing risk management and compliance management systems perform those duties independently;• Providing oversight and stewardship by reviewing, deliberating on challenging and acknowledging the key risks and compliance matters identified and reported by the GMRCC.• Ensuring the Group/Company has the appropriate mechanisms in place to manage, communicate and report potential significant risks to the RMCB and/ or the Board;• Ensuring alignment of risk compliance activities with the relevant strategies and policies approved by the Board;• Ensuring risk management and compliance management are well-integrated and embedded into the culture and business operations of the Group / Company; and• Examining whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings.
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Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit function is established by the Board to undertake independent review and assessment on the adequacy, efficiency and effectiveness of risk management framework, internal control and governance processes implemented by Management.</p> <p>The IA function of the Group is undertaken by the Internal Audit Department (“IAD”) established at MNRB and is headed by the Group Chief Internal Auditor (“GCI A”). The GCI A reports functionally to the Audit Committee and administratively to the President & GCEO and is independent from the activities or operations of other operating units in the Group. The Internal Audit function is guided by the Internal Audit Charter approved by the Audit Committee which defines the function, authority, responsibilities, independence, objectivity and scope of activity.</p> <p>The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.</p> <p>To ensure effective management and independence of the Internal Audit function, the Audit Committee is empowered by its Terms of Reference (“TOR”). The functions, duties and responsibilities of the Audit Committee are spelled out in the TOR, which is available on the Company’s website.</p> <p>The Audit Committee have active oversight on the Internal Auditors’ independence, scope of work and resources. The activities undertaken by the Audit Committees during the year are highlighted in the Audit Committee Reports of MNRB the Company and its main operating subsidiaries.</p>

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

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee complements the oversight role of the Board by providing an independent assessment of the adequacy and effectiveness of governance, risk management and internal controls. The Audit Committee is assisted by an independent Internal Audit Department (“IAD”) in performing its role. IAD personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence.</p> <p>As at the financial year end, IAD had a total of twenty-four (24) auditors. Some of the IAD staff have professional qualifications such as the Association of Chartered Certified Accountants (ACCA), Certified Information Systems Auditor and are members of the Institute of Internal Auditors (“IIA”). With the exception of one (1) IAD staff who exercised the Company’s ESOS in 2004 and holds shares of the Company, the rest of the IAD staff are free from any relationship or conflict of interest. This does not result in the impairment of objectivity and independence of the internal audit function as a whole.</p> <p>The IAD’s duties are guided by prevailing internal policies and procedures and the Institute of IIA’s International Professional Practice Framework as well as professional standards set within the IIA’s Code of Ethics.</p> <p>Their primary responsibility is to provide assurance to the Audit Committee on the effectiveness of the governance, risk management and internal control process within the Company and its subsidiaries. Internal audit reports are issued to the Management of the operational units which contain audit findings, management responses and recommendations for improvement in areas with risk and internal control deficiencies.</p>

	<p>Haniza Filzah Hayani Abu Haniffa, the GCIA, is the person responsible for internal audit functions of MNRB Group. She is a Chartered Accountant (C.A.), an Associate member of the Institute of Chartered Secretaries and Administrators and a Chartered member of the Institute of the Internal Auditors.</p> <p>A summary of IAD's activities during 2021/2022 can be found in the Statement on Risk Management and Internal Controls in the Company's Annual Report 2022.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Several communication channels are used to promote effective communication between MNRB and its stakeholders.</p> <p>Annual Report</p> <p>MNRB's annual report provides comprehensive and up-to-date information about the MNRB Group, which includes among others, the Group corporate mission and philosophy, its leadership and management team, letter to stakeholders, corporate governance matters, information about the Group's business operations, sustainability report, the Group's financial performance, management discussion and analysis of the Group's financial performance, as well as the audited financial statements of the Group.</p> <p>An online version of current year annual report, together with an archive of past years' annual reports are made available for reference on the corporate website.</p> <p>Announcement of Quarterly Group Financial Results and Regulatory Announcement</p> <p>MNRB makes announcements of its quarterly group financial results to Bursa Malaysia. In addition to the announcements of the quarterly financial results, the Company also makes available its Interim Reports and 5-Year Financial Highlights for reference on the corporate website.</p> <p>Press Release</p> <p>MNRB issues press releases periodically and regularly to communicate with its stakeholders on the MNRB's quarterly financial results, corporate development and business initiatives to keep the stakeholders informed of the progress and strategic development of its business.</p>

General Meetings

The AGM and EGM represent the primary platforms for direct two-way interaction between the shareholders, Board and management of the Group. Shareholder's approval is required on all material issues including, but not limited to, major mergers, acquisitions and divestments exercises, dividend payments, increase of Directors' fees, election/re-election and appointment/reappointment of Directors as well as the appointment of auditors.

Besides the ordinary agenda items tabled at the AGM, the President & GCEO presents the progress and performance of the business as contained in the Annual Report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group.

Group Corporate Website

MNRB Group's corporate website provides easy access to the latest information about the Group. Information available on the corporate website includes MNRB's corporate profile, individual profiles of Directors and senior management, financial results, annual reports, Corporate Governance Report and relevant policies.

In addition, the corporate website has a dedicated Investor Relations section that provides relevant investor-related information and a section on Corporate Governance which consists of various materials including the Board Charter, Board Diversity Policy, Terms of References, Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT) Group Policy Statement and Whistleblowing Policy and Procedure.

Investor Relations

As part of the initiatives in developing and implementing an investor relations programme, regular briefings are held between the Group with analysts and investors.

Presentations based on permissible disclosures are made to explain the Group's performance and major development programmes. Price-sensitive information about the Group is however, not disclosed at these briefings until after the prescribed announcement to Bursa Securities has been made.

Due to the COVID-19 pandemic and the various MCOs imposed starting from the first restriction enforced on 18 March 2020, the

	<p>Analysts' Briefings were conducted through virtual platforms with analysts and fund managers after its quarterly financial results released to Bursa Securities. The Company is inclined towards virtual engagements until the situation otherwise permits.</p> <p>MNRB also maintains a website, which shareholders and the public in general can access to gain information about the Group.</p> <p>MNRB had also launched the MNRB Group LinkedIn page to improve its social media presence.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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>In 2021, the Company held its 48th AGM on 23 September 2021 with the Notice and Agenda of the AGM delivered to the shareholders on 26 August 2021 (more than 28 days).</p> <p>The additional time given to shareholders allowed them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enabled the shareholders to consider the resolutions and made an informed decision in exercising their voting rights at the general meeting.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>In fostering effective participation of and engagement with shareholders at the AGM, all six (6) Directors were present at the 48th AGM held fully virtual on 23 September 2021 to engage with the shareholders and be accountable for their stewardship of the Company.</p> <p>All six (6) Directors, members of Senior Management, Joint Company Secretaries and the partners from the external audit firm attended the meeting remotely via video conferencing access through the Remote Participation and Electronic Voting (RPEV) facilities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In view of the COVID-19 pandemic and with the safety of the Company's shareholders, employees and directors being of primary concern, the Company having considered all available options decided to conduct the 48th AGM virtually via RPEV facilities without physical attendance by shareholders. The RPEV facilities allow shareholders to view a live webcast of the meeting, ask questions and submit votes in real time.</p> <p>The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll from any locations on all resolutions in accordance with Paragraph 8.29A of the MMLR of Bursa Securities.</p> <p>For shareholders who were unable to attend the meeting via RPEV facilities, they are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in their stead by lodging proxy form at the Share Registrar's office or electronically via the Boardroom Smart Investor Portal provided by the Share Registrar.</p> <p>Boardroom Share Registrar Sdn. Bhd. ("Boardroom") was appointed as the Registrar for the 48th AGM and the RPV facilities was made available via web.lumiagm.com. Boardroom was also appointed as the Poll Administrator to conduct the e-polling process and Commercial Quest Sdn. Bhd. was appointed the scrutineers to verify the poll results.</p> <p>After verification by the independent scrutineers, the Chairman announced the poll results to the meeting and declared that all the resolutions were carried.</p> <p>The poll results were also announced by the Company via BursaLINK on the same day for the benefit of all shareholders.</p>

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

Intended Outcome

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

Practice 13.4

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman highlighted that the Company had appointed Boardroom Share Registrars Sdn. Bhd. as the Poll Administrator to conduct the electronic polling process and Commercial Quest Sdn. Bhd. as the independent Scrutineers to verify the poll results. The Chairman mentioned that in line with the advice from the MSWG to appoint an Independent Party to moderate the Questions & Answer session in a fair, objective and impartial manner, the Company had appointed Securities Services (Holdings) Sdn. Bhd. as the Company's Moderator for the 48th AGM.</p> <p>The Chairman then briefed on the flow of the meeting which would start with a presentation by the President & Group CEO on the Group's results, followed by the agenda of the AGM and thereafter, with the Questions & Answers ("Q&A") session. The Chairman encouraged the shareholders to participate at the meeting by submitting typed questions in real time during the meeting until the announcement of the closure of Q&A session. The Chairman informed shareholders of their right to ask questions and vote as well as explained the procedure to be followed in tabling and approving each of the resolutions.</p> <p>A short video presentation by Boardroom Share Registrars Sdn Bhd was screened to demonstrate on the process for online voting via the Boardroom Smart Investor Portal by Boardroom Share Registrars Sdn. Bhd.</p> <p>The President & GCEO presented the Company's update prior to the tabling of all items to be transacted at the AGM and the Questions and Answers session. Questions that were submitted prior to the 48th AGM and those that were posed during the meeting were addressed during the meeting.</p>

	For the unanswered questions, the Company had provided its answers via website. The complete list of questions received prior to and during the 48 th AGM together with the answers provided were attached to the minutes of meeting and posted on the Company's website within 30 days from the date of meeting.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's 2021 AGM was held fully virtual where the Board, Senior Management, representatives of the External Auditors, shareholders, proxies and corporate representative attended the meeting remotely via video conferencing access through the RPEV facilities. This online platform was secured exclusively for the members with approved registration for RPEV at the AGM.</p> <p>At the start of the 48th AGM, the Chairman informed the shareholders who were present that this was the Company's 2nd fully virtual AGM. The Meeting was convened in a fully virtual manner to safeguard the wellbeing of Members, Directors and employees of the Company due to the on-going COVID-19 pandemic.</p> <p>At the AGM, the shareholders actively participated in discussing the resolutions proposed, asking questions, seeking clarification and raising concerns. For transparency, the questions which have been addressed/answered were published for viewing by shareholders on the RPEV platform during the meeting and the appointed external Moderator, Securities Services (Holding) Sdn. Bhd. was assigned to ensure that all shareholders' questions were addressed.</p> <p>The voting at the AGM by shareholders was conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad by way of electronic voting (e-voting).</p> <p>To ensure smooth process of e-voting, a short video presentation by Boardroom Share Registrars Sdn. Bhd. was screened to demonstrate on the process for online voting via the Boardroom Smart Investor Portal by Boardroom Share Registrars Sdn. Bhd., the Poll Administrator.</p>

	<p>The President & GCEO then proceeded to continue with the presentation of the Group's performance and activities incorporating as follows: -</p> <ul style="list-style-type: none"> (i) Highlights of financial year ended 2021. (ii) Performance Review. (iii) Key Developments. (iv) MNRB Group Sustainability Initiatives. (v) Value-Based Intermediate Initiatives. (vi) Covid-19 Impact and Relief Measures Established. (vii) Group Transformation Program. <p>The Chairman then highlighted that the Company had received questions from the Members through various medium and invited the President & GCEO to address the said questions.</p> <p>The Chairman then proceeded to open the question and answers session with members. Response to the questions were provided by the President & GCEO and Group Chief Financial Officer. The complete list of questions (including the names of the members) received prior to and during the 48th AGM together with the answers was published onto the Company's website.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The complete list of questions received prior to and during the 48 th AGM together with the answers provided were attached to the minutes of meeting and posted on the Company's website. Securities Services (Holdings) Sdn. Bhd., the appointed external moderator, has been tasked to ensure that all questions received in the meeting platform during the meeting have been answered. The minutes of the 48 th AGM was uploaded onto the Company's website no later than 30 business days after the meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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.

In line with the disclosure requirements per Bank Negara Malaysia (“BNM”) PD CG, MNRB Holdings Berhad (“MNRB” or “the Company”) discloses its corporate governance (“CG”) practices mainly in the Annual Report, Sustainability Report and on its corporate website www.mnrb.com.my.

In relation to corporate governance disclosures per Appendix 4 of the BNM Policy, composition of its Board of Directors including the name and designation of each director, key personal details and background, the chair and members of each board committee, roles and responsibilities of the board and the board committees, and movement of directorship in MNRB during the financial year, are disclosed by the Company in the **Annual Report 2022**. Information of the current membership of the Board, the individual directors’ background and the Board Charter (which contains the roles and responsibilities of the board and the board committees) are also shared with member of the public on the Company’s website.

The Company also discloses the main features of its internal control framework, any reviews and assessments conducted on the framework during the financial year and also all the current key policies and procedures of the framework in its **Annual Report 2022**.

In respect of the training and education provided to the Board, including induction for new director, and detailed trainings attended by the Company’s directors, such disclosures are made under **Practice 2.1 of this CG Report 2022**. Under the CG Overview Statement and respective board committee report in the **Annual Report 2022**, the number of meetings convened by the board and each board committee including the attendance of each director during the financial year are also disclosed for greater transparency.

In line with the disclosure requirements per PD CG, the President & GCEO, Board Appointees and the Senior Management team’s remuneration are disclosed in the **Annual Report 2022** of the Company.