

CORPORATE GOVERNANCE OVERVIEW STATEMENT



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

As the Chairman of MRCB, it is my pleasure to present to you this year's Corporate Governance Overview Statement.

Our continuing commitment to achieving the highest standards of corporate governance in managing our affairs serves as the cornerstone of MRCB's vision of sustainable business performance, in line with our core values of being accountable, customer-centric, courageous, creative, and driven.

Our adoption of the UN Sustainable Development Goal 16: Peace, Justice & Strong Institutions furthers our pledge of good governance as we are confident this will create long-term, meaningful and sustainable value for all our stakeholders. This is holistically incorporated within the Group's policies and procedures, with the focal point being on inculcating the best practices in governance, ethics, accountability, integrity, and transparency within our diverse workforce.

In the past year, MRCB's commitment towards promoting human development and dignity within the communities in which we operate was reaffirmed with the establishment of a Group-wide Human Rights Policy. The policy provides a basis for embedding the responsibility to respect human rights through all business functions, facilitates identification of policy gaps and initiation of a process that alerts the Group to new areas of human rights risks and enables us to better respond to relevant

Datuk Seri Amir Hamzah Azizan
Chairman



stakeholder expectations and concerns. This policy is guided by international best practices such as the eight International Labour Organisation (ILO) core conventions, the United Nations Principles of Responsible Investments (UN PRI) and the European Union's Guidance on Due Diligence on Forced Labour, amongst others. For more details on this policy, please refer to <https://www.mrcb.com.my/sustainability/sustainability-statements.html>.

MRCB has successfully implemented and applied 41 out of the 43 Practices prescribed in the Malaysian Code on Corporate Governance 2021 (MCCG 2021), together with 3 out of the 5 optional Step-Up Practices that aim to raise the bar well beyond existing regulatory requirements. The Corporate Governance Report (CG Report), which details the application or departure of each MCCG 2021 Practice, can be viewed at www.mrcb.com.my/corporate-governance.html.

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COMPLIANCE WITH MCCG

Practices Adopted

2018

27/32

2019

29/32

2020

31/32

2021

39/43

2022

41/43

Step-Up Practices Adopted

2018

2/4

2019

4/4

2020

3/4

2021

3/5

2022

3/5

In 2022, MRCB successfully received its ISO 37001:2016 Anti-Bribery Management System (ABMS) recertification by an international certification body, which was a key milestone in MRCB's governance journey of upholding best practices and standards in its operations. The continued implementation of MRCB's ABMS which is now in its 4th year, serves to assure our stakeholders of our continued compliance with all applicable laws, regulations, operational policies, and procedures in effectively addressing bribery and corruption. In the past year, we have undertaken various ABMS initiatives and measures to raise awareness and equip the Group with the necessary tools and knowledge to identify, prevent and respond to bribery risks, such as:

- Bribery Risk Assessment and Facilitation of all departments to build a comprehensive picture of the risks that the Group faces, evaluate controls and evaluate the likelihood and impact of these risks, along with measures to address them reasonably with periodic monitoring
- "Integrity Begins with Us" roadshow
- Continuous communication of anti-bribery policies
- Integrity talks with guest speakers
- ABMS awareness sessions for new staff induction, Graduate Employability Programme (GEP) trainees and Business Associates
- ABMS coaching sessions with Heads of Divisions / Departments
- "Integrity in Action" e-newsletter
- Raising staff awareness on Corporate Liability provisions within Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 via internal communication
- Development of Organisational Anti-Corruption Plan
- Integrity Knowledge Sharing Session with government stakeholders
- Mandatory Anti-Bribery and Corruption online assessment for all staff

MRCB is committed to the constant strengthening of our governance practices to ensure continued adherence to guiding principles and relevant benchmarks. The accolades and strong rankings achieved during the reviewed year are a testament to our dedication to ensuring integrity and transparency in corporate reporting.

EXTERNAL RECOGNITION
OF MRCB'S CORPORATE
GOVERNANCE ECOSYSTEM

Ranked

2ND OUT OF 864**Companies assessed in the
EXCELLENCE
AWARD**

for Corporate Governance
Disclosure at the Minority
Shareholders Watch Group
(MSWG) – ASEAN Corporate
Governance Awards 2021 in
November 2022

Ranked

1ST

in the

**INDUSTRY EXCELLENCE
AWARD (PROPERTY
SECTOR)**

for Corporate Governance
Disclosure at the Minority
Shareholders Watch Group
(MSWG) – ASEAN Corporate
Governance Awards 2021 in
November 2022

Awarded the

**PLATINUM EXCELLENCE
AWARD**

For Companies with
**Less Than RM2 Billion Market
Capitalisation**
at the Malaysian Institute of
Accountants National Annual
Corporate Report Awards
(NACRA) 2022



Further details on our corporate
governance achievements and future
plans and aspirations are set out in
the ensuing sections of this Corporate
Governance Overview Statement.

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EXTERNAL RECOGNITION OF MRCB'S CORPORATE GOVERNANCE ECOSYSTEM

Awarded **GOLD** at the 2022 **AUSTRALASIAN REPORTING AWARDS**

RANKED 1ST for Transparency at **The Star / FIABCI Malaysia Developer Awards 2022**

Constituent of the



FTSE4Good

Bursa Malaysia Index since 2014

MSCI ESG Rating of

in 2022 **BBB**



Further details on our corporate governance achievements and future plans and aspirations are set out in the ensuing sections of this Corporate Governance Overview Statement.

CORPORATE GOVERNANCE PHILOSOPHY

MRCB is steadfast in its resolve to ensure that the highest standards of governance, integrity, and ethics are being practised in the conduct of its business. The Board consistently espouses and promotes value-creating governance through a deliberate and structured approach, with purposeful and systematic processes that align with our core values as a Group.

Led by our Vision 'Setting the Standard', we strive to conduct our operations in a sustainable manner that is environmentally and socially responsible, while delivering on our financial objectives. This is achieved through the embedment of robust institutional governance practices, as well as globally recognised standards for sustainable business practices. All these practices are periodically reviewed, mindful of the constantly evolving operating landscape to ensure that we continue to act in the best interest of our stakeholders.

At MRCB, we maximise value by assiduously delivering on our purpose and ensuring relevance and sustainability of our business model. Accordingly, our commitment to sustainability is reflected in the way we do our business. We ingrain sustainability into our operations to create value by delivering property and infrastructure development solutions that aim to positively impact every facet of society and shape a better, healthier, and more equitable world for all.

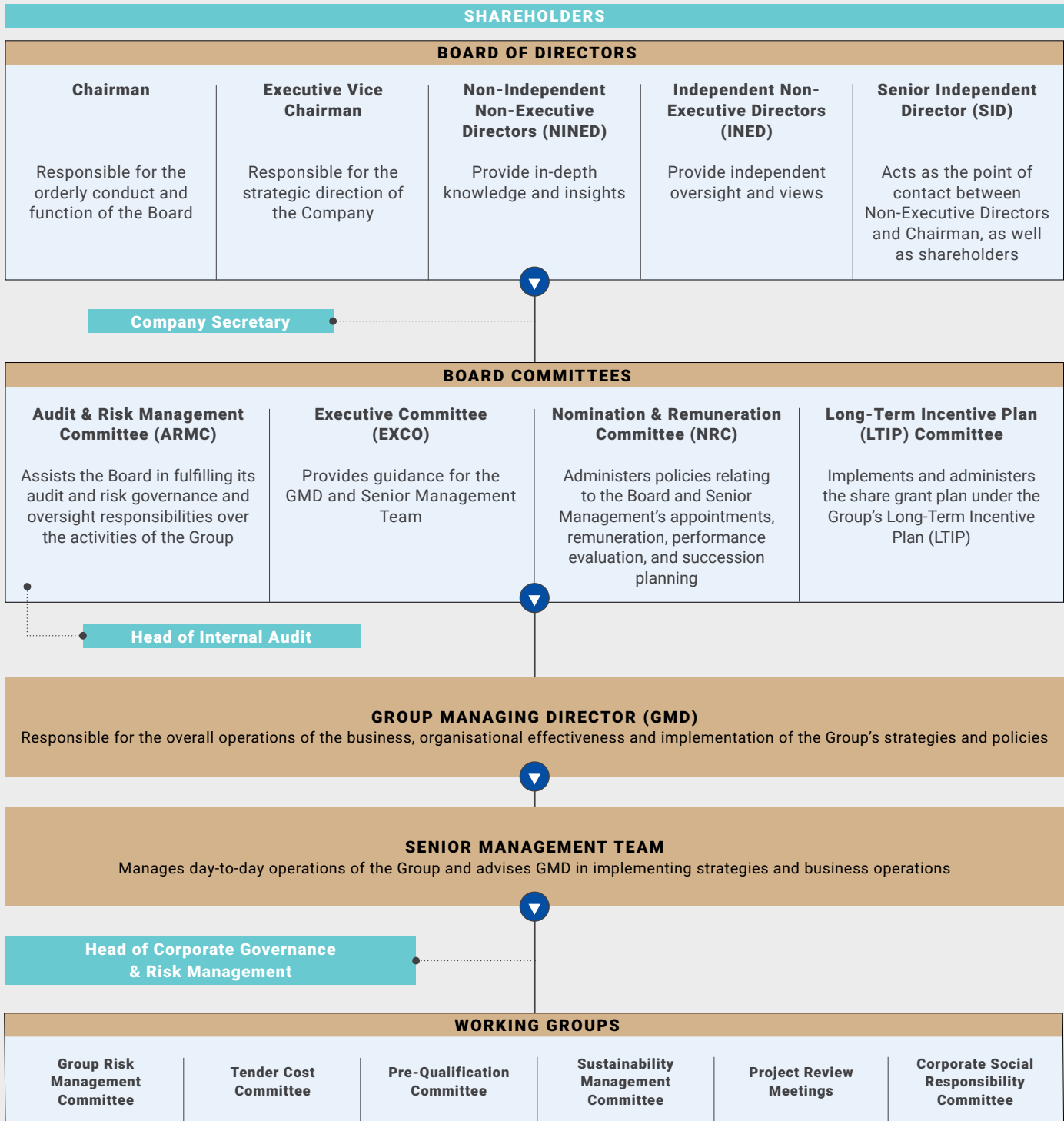
CORPORATE GOVERNANCE FRAMEWORK

The Board is resolute in ensuring that there is a strong and effective system of corporate governance in place to support and facilitate the successful execution of the Group's strategy. This is achieved via a delegated authority framework, which enhances standards of accountability and responsibility in decision-making up to the Board.

The diagram below describes MRCB's governance framework, an overview of the key Committees of the Board and other Management Working Groups.

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CORPORATE GOVERNANCE FRAMEWORK



CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE PRACTICES

In this Statement, we provide an overview on the manner in which the Group has adopted and applied the statutory requirements, principles, and best practices as set out in the Main Market Listing Requirements (MMLR) of Bursa Malaysia, the Companies Act 2016 (CA 2016), and MCG 2021, in addition to being benchmarked against the ASEAN Corporate Governance Scorecard and other applicable laws, regulations, and guidelines.

The Group has successfully implemented 41 out of the 43 Practices in the MCG 2021, and 3 out of the 5 optional Step-Up Practices. The four departures are outlined below:

Practice 5.2

For Large Companies, the Board comprises a majority Independent Directors.

Following the recent demise of our Independent Chairman, the number of Independent Directors has fallen from four to three members.

The Board is looking for appropriate candidates that can enhance the diversity, skillsets, and quality of the Board.

Practice 5.9

The Board comprises at least 30% women Directors.

We currently have two women Directors – Dato' Dr Junaidah Kamarruddin and Ms. Lim Fen Nee, who collectively account for 25% of the Board members.

The Board is looking for appropriate candidates that can enhance the diversity, skillsets, and quality of the Board.

Step-Up Practice 8.3

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

The top five Senior Management's total remuneration have been disclosed in bands of RM50,000. Their remuneration has been benchmarked against the industry and is aligned with the market, ensuring that they are externally competitive and internally equitable.

This approach strikes a balance between respecting personal privacy rights, whilst still providing sufficiently precise datapoints that facilitate stakeholder scrutiny.

Step-Up Practice 9.4

The Audit Committee should comprise solely of Independent Directors.

En. Mohamad Hafiz Kassim, a nominee of our major shareholder EPF, sits on the Audit & Risk Management Committee (ARMC), along with three other Independent Directors. The ARMC therefore comprised a majority of Independent Directors.

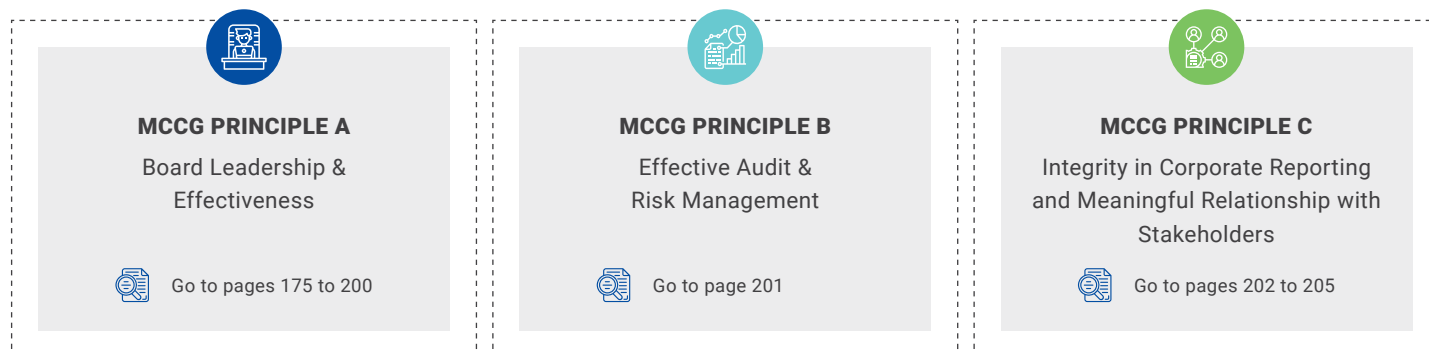
This Corporate Governance Overview Statement should be read in conjunction with the Corporate Governance Report (CG Report). The CG Report provides a detailed explanation on how the Company has applied the MCG 2021 Principles and complied with its Practices, as well as an explanation for the departures. Respective measures and timeframes to adopt the departures are also elaborated in the CG Report.



Please peruse our Corporate Governance Report at www.mrcb.com.my/corporate-governance.html.

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The remainder of this Corporate Governance Overview Statement is presented based on the following core principles as set out within MCG 2021:



MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

BOARD LEADERSHIP

MRCB is led by its Board. The Board is responsible for the overall stewardship of the business and all affairs of the Group on behalf of our shareholders and all other stakeholders.

The Board therefore plays a crucial role in ensuring that suitable governance control systems and parameters are put in place. This is mainly achieved through the development and application of internal controls and guidelines such as, but not limited to, the Board Charter, Code of Business Ethics, Whistleblowing, and Conflict of Interest policies.



Further details on these internal governance controls can be found at www.mrcb.com.my/corporate-governance.html.

BOARD OPERATIONS

Board Charter

The Board is firmly guided by a Board Charter that sets out the principal role of the Board, the functions, responsibilities and powers of the Board and its various committees, together with a schedule of matters reserved for the Board. This document was established by the Board to ensure that Directors are aware of their fiduciary duties and responsibilities, particularly their obligation to act in the best interests of the Company and shareholders, and the need to always exercise good judgement and conduct themselves to the highest ethical standards.

The Board Charter is reviewed and updated from time to time, with the last revision being made on 10 January 2022. This document can be viewed at www.mrcb.com.my/corporate-governance.html.

Code of Business Ethics (Code)

Our Directors are expected to hold themselves to the highest standards of ethics and professional conduct, in line with the Group's core values. They are expected to always behave and act virtuously to protect and promote the reputation of the Group.

Upon their appointment, all Directors of the Group are given a copy of the Directors' Manual, Executive Handbook, and the Code, and are required to confirm they have read and understood the Code. Compliance with the provisions in these documents is deemed to be part of the terms and conditions of their service.

The Code promotes good business conduct with the highest principles of moral behaviour and integrity. It also sets out the expected standards of conduct and behaviour when dealing with external parties, managing conflicts of interest, preventing abuses of power, corruption, insider trading and money laundering, and preserving the confidentiality of company information.

The Code is reviewed and updated periodically, with the last revision on 10 January 2022. It applies to all Directors and employees of the Group and can be viewed at www.mrcb.com.my/corporate-governance.html.

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MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Whistleblowing

The Group has a Whistleblowing Policy, which also allows reports to be submitted about members of the Board, that outlines the process for submitting confidential whistleblowing reports. In the past year, we have introduced a proprietary Whistleblowing e-form. This approach streamlines the reporting format and improves data handling and analysis. All submissions are automatically sent electronically to the Group Managing Director and Head of the Integrity & Discipline Department (IDD), as well as the Chairman, and the Chairman of the Audit & Risk Management Committee (ARMC) who is also the Senior Independent Director – for their further action.

The policy underscores the Group's commitment to developing a culture of openness and honesty, where a person who is aware of potential malpractice or misconduct is encouraged to report such matters in good faith. It is also designed to protect such whistleblowers against any potential reprisals, particularly if they are employees of the Group.

The Whistleblowing Policy has proved to be an effective tool to detect and act against instances of misconduct within the Group. During 2022, we received three (3) claims or incidents of non-compliance reported through whistleblowing channels that have been reviewed, investigated, and actioned on accordingly. All whistleblowing cases and the results of investigations are reported to the Board during Anti-Bribery & Corruption Updates which is a permanent agenda item at the Quarterly Board Meetings. The policy is reviewed and updated periodically and can be viewed at www.mrcb.com.my/corporate-governance.html.

Conflict of Interest

The Directors have a fiduciary duty to always act in the best interest of the Group. The Directors also have a duty of confidentiality in relation to the Group's information.

A Director is therefore required to disclose to the Board:

- any material personal interest he / she has in a matter which relates to the affairs of the Group; and
- any other interest (direct or indirect) which he / she believes is appropriate to disclose in order to avoid any conflict of interest or the perception of a conflict of interest.

Such disclosures should be made as soon as practicable upon the Director becoming aware of his / her interest. Details of such disclosures must be recorded in the minutes of the meeting at which the disclosure is made, or at the next meeting held following the disclosure. Interested Directors should also abstain from all Board deliberations and voting that relate to matters in which they have an interest.

A Conflict of Interest Policy was established in 2019 with the goal of ensuring that actual, potential and perceived conflicts of interest are identified and managed effectively. It offers guidance on dealing with such situations as they arise.

This Policy applies to all Directors and employees of the Group, including those on internship or secondment and consultants engaged by the Group on a full-time basis. The policy was recently updated and can be viewed at www.mrcb.com.my/corporate-governance.html.

Sustainability

Our commitment to sustainability is reflected in the way we operate. As a signatory of the Ten Principles of the UN Global Compact, we are committed to creating value by having a positive impact on society. Through joint efforts between the Board and Senior Management, we have progressively transformed our vision for sustainable growth into initiatives that are rooted within our business strategy. Details of the Group's sustainability initiatives and efforts are reflected in Our Approach to Sustainability on pages 16 - 29 of this report.

ROLES & RESPONSIBILITIES OF THE BOARD

The Board is entrusted with the overall governance of MRCB, setting a clear tone from the top by focusing on strategy, governance, and compliance in all aspects of our operations.

In dutifully discharging its functions, the main roles and responsibilities of the Board are as follows:

- To set the overall strategy for the Group;
- To oversee and evaluate the conduct and performance of the Group's businesses;
- To deliberate Management's proposals for the Company, which includes the overall corporate strategy, business plan, and budget, and to monitor its implementation by Management;

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- To promote good corporate governance culture within the Group to reinforce ethical, prudent and professional behaviour;
- To promote sustainability through appropriate environmental, economic, social and governance considerations in the Group's business strategies, which includes amongst others the following:
 - i. Establishing and overseeing the implementation of a sustainability framework in support of the Group's vision, with clear strategies, priorities, and targets;
 - ii. Incorporating sustainability considerations when exercising its duties, including among others, the development and implementation of business plans, major plans of action, and risk management;
 - iii. Reviewing and approving sustainability policies and procedures in support of the Group's sustainability framework and strategy; and
 - iv. Overseeing the institutionalisation of sustainability within the Group.
- To take climate change risks and opportunities into account in the delivery of the Group's sustainable business growth, ensuring compliance with all laws, regulations, and other disclosure requirements relating to environmental matters, as well as having regard for the needs of all its stakeholders in its pursuit of generating long-term returns for its shareholders;
- To assess and identify principal risks and ensure implementation of a proper risk management system in recognition that business decisions involve the taking of appropriate risks;
- To ensure the establishment of an appropriate succession plan for members of the Board and Senior Management, emphasising diversity and incorporating a broad range of sourcing strategies;
- To oversee the development and implementation of a shareholder communication policy for the Group and Company;
- To review the adequacy and the integrity of the management information and internal controls system of the Group and Company;
- To establish, review, and together with the Management, implement policies and procedures on whistleblowing;
- To establish and review policies and procedures to determine the remuneration of Directors and Senior Management taking into account the demands, complexities and performance of the Company, as well as skills and experience required;
- To commit itself and its Directors to ethical business and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members and in the discharging of their fiduciary duties; and
- To provide and ensure accountability to shareholders and to the extent possible, towards a wider range of stakeholders impacted by MRCB's decisions, such as employees, customers, and the local community in areas where MRCB operates.

The following matters are reserved for the Board to determine and / or approve (save to the extent that the Board resolves that determination and / or approval of any such matter shall be delegated to the Committees of the Board or Senior Management):

- Corporate plans and programmes;
- Annual budgets, including major capital commitments;
- New ventures;
- Material acquisitions and disposals of undertakings and assets; and,
- Changes to the management and control structure within the Company and its subsidiaries, including key policies.

Further details on the roles, responsibilities, and reserved matters are clearly set out in the Board Charter.

SEPARATION OF POWER BETWEEN THE BOARD AND MANAGEMENT

The Board ensures that its Chairman is a non-executive member of the Board, and has no other positions on any of the Committees of the Board. This is to safeguard the objectivity of the Chairman and ensure there is a strong check and balance at the Board when deliberating on observations and recommendations put forward by the Committees of the Board.

Additionally, the Board practices a clear demarcation of duties and responsibilities between the Chairman, the Executive Vice Chairman, and the Group Managing Director to ensure there is a balance of power and authority in the Board. The positions are also held by three different individuals. Non-Executive Directors, who are wholly independent of Management and strictly do not participate in any day-to-day management activities of the Company, are relied upon to provide oversight of Management.

The Board also appoints a Senior Independent Director who acts as a trusted intermediary between the Non-Executive Directors and the Chairman, as well as the designated contact to whom shareholders' concerns may be raised.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)



Datuk Seri Amir Hamzah Azizan

Chairman

The Chairman of MRCB is a Non-Independent Non-Executive Director. The Chairman is responsible for the overall leadership and efficient functioning of the Board.

Roles & Responsibilities of the Chairman

- Providing leadership to the Board to ensure that the Board functions effectively, cohesively and independently of Management;
- Leading the Board in establishing and monitoring good corporate governance practices in the Group;
- Leading and presiding over Board meetings and Company meetings, and directing Board discussions to effectively use the time available to address the critical issues facing the Company;
- Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- Encouraging active participation and ensuring that decisions taken fairly reflect the Board's consensus, following the provision of sufficient time for detailed discussions at which dissenting views are allowed to be freely expressed;
- Promoting constructive and respectful relations between Board members and managing the interface between Board members and Management;
- Ensuring that appropriate steps are taken to provide effective communication with stakeholders and that views are communicated to the Board as a whole; and,
- Leading efforts to address the Board's developmental needs.



For more information on the Chairman's profile, please refer to page 159 of this Integrated Annual Report.



Tan Sri Mohamad Salim Fateh Din

Executive Vice Chairman

The Executive Vice Chairman is a Non-Independent Director who is responsible to the Board for the strategic direction of the Company.

Roles & Responsibilities of the Executive Vice Chairman (EVC)

- Formulating and executing development strategies to maximise value of the Group's land bank and other assets;
- Developing Green Buildings and sustainable development projects;
- Formulating climate action strategies in support of the Group's sustainability and net-zero targets;
- Leading business development activities and promoting the Group's services and solutions; and,
- Developing and managing key client relationships to aid the Group in the management of its important external stakeholders.



For more information on the Executive Vice Chairman's profile, please refer to page 160 of this Integrated Annual Report.

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Imran Salim

Group Managing Director

The Group Managing Director is responsible for the overall operations of the business, organisational effectiveness and the implementation of the Group's strategies and policies. He is assisted by the Senior Management Team, with whom he consults regularly.

Roles & Responsibilities of the Group Managing Director (GMD)

- Overseeing the implementation of the Group's long-term strategy and ensuring consistent and timely progress towards achieving its mission;
- Ensuring that the Company and / or the Group's business is properly and efficiently managed by ensuring that the executive team implements the policies and strategies set by the Board and its Committees;
- Recommending suitable management structures and operating authority levels which include delegations of responsibilities to the Management;
- Ensuring an effective Management team below the level of the Group Managing Director and developing an appropriate succession plan;
- Ensuring that the objectives and standards of performance are understood by the Management and employees;
- Ensuring that the necessary operational planning, sustainability, health & safety, risk management and control systems are in place;
- Business development and managing important clients and other external stakeholders;
- Ensuring the development and continued adherence to sound financial practices;
- Developing strategic marketing and sales plans to boost profits and efficiency;
- Driving performance and monitoring financial results against budgets and plans on an ongoing basis;
- Fostering a corporate culture that promotes sustainable and ethical practices, encourages individual integrity, health & safety and the fulfilment of MRCB's corporate social responsibilities;
- Maintaining a positive and ethical working environment that is conducive to attracting, retaining, and motivating a diverse workforce;
- Overseeing the recruitment, employment, and release of all personnel;
- Ensuring continuous improvement in the quality, value and sustainability of MRCB's products and services;
- Coordinating cross-functional efforts in pursuit of the Company's goals;
- Developing, implementing and managing the Company's risk management and internal control systems within the risk appetite and framework approved by the Board; and,
- Keeping the Board fully informed of the condition of the organisation and all relevant factors influencing it.



For more information on the Group Managing Director's profile, please refer to page 161 of this Integrated Annual Report.

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MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)



Dato' Wan Kamaruzaman Wan Ahmad

Senior Independent Director

The Senior Independent Director is an important intermediary between the various Board members and external stakeholders.

Roles & Responsibilities of the Senior Independent Director (SID)

- Act as a sounding board for the Chairman and Group Managing Director on Board matters;
- Be a conduit, as required, for views by other Non-Executive Directors on the performance of the Chairman and chair a formal annual session of the Nomination & Remuneration Committee (NRC) to agree on the Chairman's objectives and review his performance;
- Serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues;
- Be the focal point for Board members for any concerns regarding the Chairman, or the relationship between the Chairman and the Group Managing Director; and,
- Act as a trusted intermediary for Non-Executive Directors where this is required to help them to challenge and contribute effectively.

The SID also provides an alternative independent communication channel for shareholders and stakeholders to convey their concerns and raise issues that cannot otherwise be resolved through regular channels.

All queries relating to the Group can be channelled to the SID's email address, wkwa@mrcb.com or directed to the following address:

Dato' Wan Kamaruzaman Wan Ahmad

Senior Independent Director

Malaysian Resources Corporation Berhad
Level 30, Menara Allianz Sentral,
No. 203, Jalan Tun Sambanthan, Kuala Lumpur Sentral,
50470 Kuala Lumpur, Malaysia.



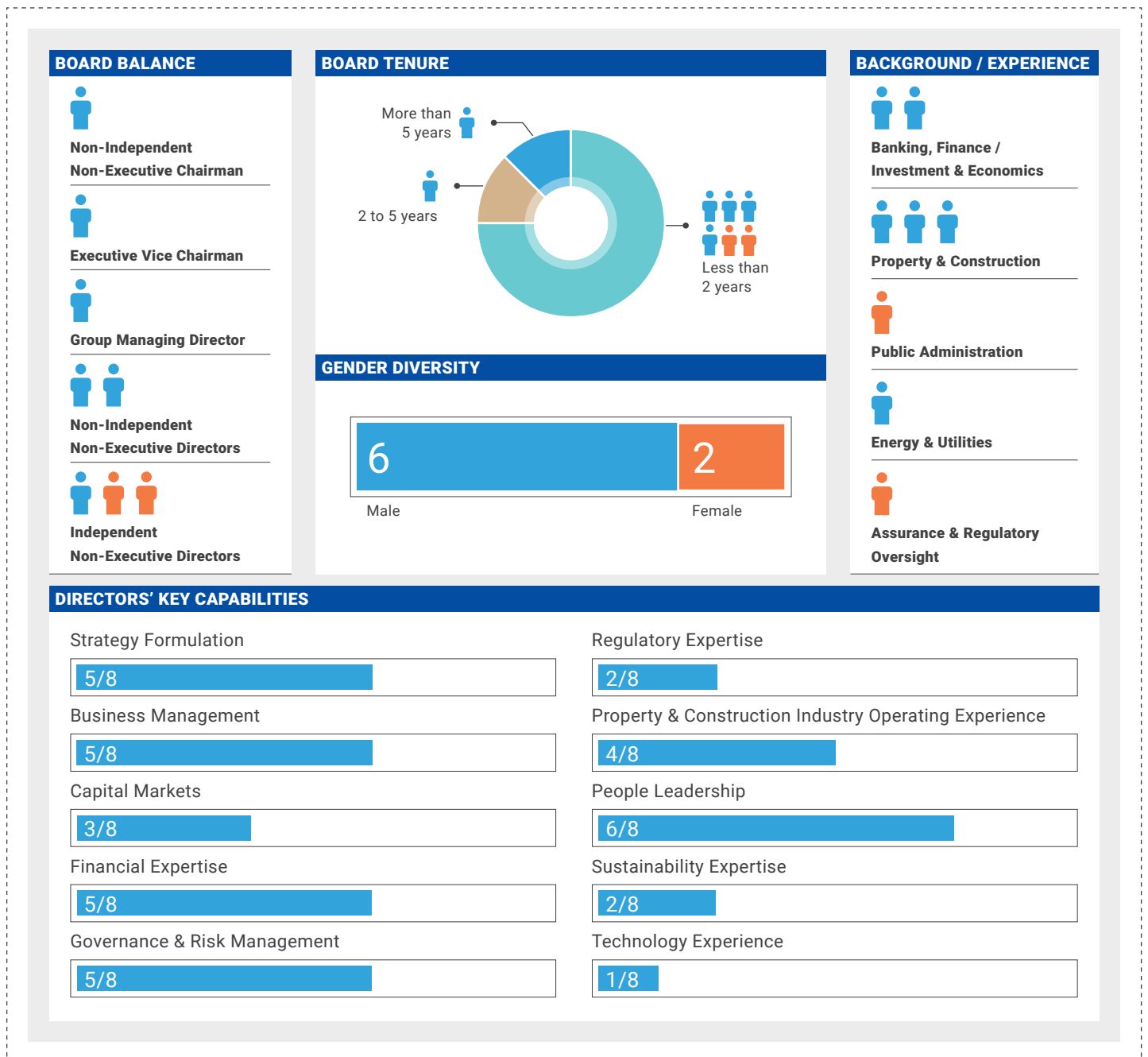
For more information on the Senior Independent Director's profile, please refer to page 164 of this Integrated Annual Report.

BOARD DIVERSITY & COMPOSITION

The composition of a Board remains a key factor in influencing the way a Board functions and the dynamics between its members. Diversity helps the Board to leverage the differences in background, industry experience, knowledge, and skills, to collectively provide oversight and to help the Group retain its competitive advantage. An effective Board should comprise members with an appropriate mix of skills, knowledge, experience, and perspectives that fit the Company's purpose, objectives and strategic goals. This facilitates an environment for constructive dialogue and enables the Board to consider the needs of a wide range of stakeholder interests.

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MRCB's Board is made up of an eight-member strong team that possesses a diverse set of skills, experiences, and know-how, to better guide and navigate the Group. Three of the members have extensive working experience in our core operating activities of Property Development & Engineering and Construction, namely our Executive Vice Chairman Tan Sri Mohamad Salim Fateh Din, our Group Managing Director Imran Salim and our Non-Executive Director Mohamad Hafiz Kassim. The Board believes that its present composition and size enable it to discharge its duties and responsibilities in an effective and competent manner, with adequate diversity and inclusion being present in terms of Board balance, Board tenure, gender, age, and related experience.



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MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

BOARD INDEPENDENCE

All Directors, regardless of their independent status, are always required to act in the best interests of MRCB and to exercise unfettered and independent discretion and judgement. The Board recognises the pertinent contributions that Independent Directors make in terms of good corporate governance, particularly in the area of related party transactions where they safeguard the interests of minority shareholders.

The Board undertakes to assess the independence of its Independent Directors upon their appointment and annually thereafter, or upon the development of any new interest in Company matters. The responsibility for such assessments, along with the identification and recommendation of suitable Board candidates lies with the Nomination & Remuneration Committee (NRC), which is chaired by the Senior Independent Director.

To date, all of our Independent Directors satisfy the following criteria:

- a) Independent from Management and free from any business or other relationship which could interfere with independent judgement, objectivity or the ability to act in the best interest of the Company.
- b) Not involved in the day-to-day operations of the Company other than when collective Board approval is required. This mitigates the risk of undue influence from third parties and allows Independent Non-Executive Directors to exercise fair judgement.
- c) Declared their interests or any possible conflict of interest in any matter tabled prior to the commencement of Board meetings. Directors are able to ascertain their involvement in any proposal as the papers are disseminated to them at least five business days before each meeting. In a situation where there is a conflict of interest, Directors are required to recuse themselves and abstain from deliberations and voting to allow unbiased and free discussion and decision-making. This also holds true for and applies to Non-Independent Non-Executive Directors.

As a matter of policy, the Board has established that the tenure of Independent Directors shall not exceed a term of nine years. Long tenures could lead to the development of a sense of familiarity with Management and sympathy for their interests, which may impair and erode an Independent Director's objectivity.

Independent Directors form a minority with three members on the current eight-member Board. The Board is keen to restore its previous majority independent Board position to provide the necessary check and balance to the Board's deliberations and informed decision-making process.

BOARD MEETINGS & ATTENDANCE

The Board holds regular meetings, not less than four times a year. All Board meetings are scheduled in advance before the start of the financial year to enable Directors to plan ahead, incorporate the meeting dates into their respective schedules and ensure full attendance at meetings. Scheduled Board meetings are typically convened immediately following finalisation of the Company's quarterly and annual results for the Board to review and approve prior to announcing to Bursa Malaysia. The viability of other business propositions and corporate proposals are also deliberated and assessed, with relevant members of Senior Management attending by invitation to report to the Board on matters pertinent to their areas of responsibility. In arriving at Board decisions, the will of the majority prevails.

In addition to scheduled meetings, the Board commits to convene as and when necessary to consider and deliberate urgent proposals. Approvals by way of circular resolutions are another option available to the Directors for urgent proposals that arise in between scheduled Board meetings; however, these are generally used sparingly. The Board further participates in an annual offsite Strategy Meeting organised for the Board to consult Management, deliberate and formulate the Group's business direction, strategic plans and priorities, and understand the competitive landscape in which the business operates in an informal setting. Additionally, the offsite Strategy Meeting offers valuable time and space for Board members to foster accountability, enhance group participation and develop much greater insights into the Group.

Directors are expected to devote sufficient time to allow the proper and effective discharge of their various duties and obligations. If physical attendance is not possible for any reason, Directors are able to join meetings remotely via video conferencing solutions. Directors may also submit their views and opinions to the other Directors and the Company Secretary via a secured collaborative software if they are unable to attend the session. In all cases, Directors are expected to personally attend to Board matters and must not appoint another person to participate on his / her behalf.

Directors are further required to notify the Chairman before accepting any new directorships on the Boards of other listed or non-listed entities, and to indicate the time expected to be spent on such new appointments. In any given circumstances, Directors are limited to holding not more than five directorships in listed issuers, in accordance with Bursa Malaysia's Listing Requirements.

All Directors participated fully in discussions and have been free to express their own opinions, exchange views and raise concerns on various matters at all Board meetings held during the financial year. The Directors' full commitment towards their duties and responsibilities was evidenced by their attendance at Board meetings held during the financial year. In summary, all Directors more than adequately complied with the minimum attendance requirement of at least 50% of the Board meetings pursuant to Paragraph 15.05(3)(c) of Bursa Malaysia's Listing Requirements.

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Schedule of Meetings in 2022

Meeting	Q1	Q2	Q3	Q4
Annual General Meeting	-	2 June	-	-
Executive Committee	28 January	21 April 19 May 27 June	18 July	4 November 19 December
Audit & Risk Management Committee	25 January 21 February 22 March	26 May	25 August	28 November
Nomination & Remuneration Committee	31 March	26 May	-	7 October
Long-Term Incentive Plan Committee	-	-	-	-
Board of Directors	10 January 15 January 28 February	4 April 31 May	30 August	30 November
Strategy Retreat	15 January	-	-	-

Directors' Attendance at Meetings in 2022

No.	Board Member	Attendance					AGM
		Board	Committees				
			EXCO	ARMC	NRC	LTIP	
Independent Chairman							
1.	Tan Sri Azlan Zainol	6/7	-	-	-	-	✓
Executive Vice Chairman							
2.	Tan Sri Mohamad Salim Fateh Din	7/7	-	-	-	-	✓
Group Managing Director							
3.	Imran Salim	7/7	7/7	-	-	-	✓
Non-Independent Non-Executive Directors							
4.	Dato' Mohamad Nasir Ab Latif	7/7	7/7	-	-	-	✓
5.	Datuk Seri Amir Hamzah Azizan	6/7	-	-	-	-	✓
6.	Mohamad Hafiz Kassim	7/7	-	6/6	3/3	-	✓
Independent Directors							
7.	Dato' Wan Kamaruzaman Wan Ahmad	7/7	7/7	6/6	3/3	-	✓
8.	Dato' Dr Junaidah Kamarruddin	7/7	-	6/6	3/3	-	✓
9.	Lim Fen Nee	7/7	-	6/6	-	-	✓
Overall attendance		96.8%	100%	100%	100%	-	100%

Notes:

- On 12 January 2023, Tan Sri Azlan Zainol ceased to be a Director and Independent Chairman upon his demise.
- On 19 January 2023, Datuk Seri Amir Hamzah Azizan was redesignated as Non-Independent Non-Executive Chairman.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

HIGHLIGHTS OF BOARD ACTIVITIES IN 2022



Performance & Strategy

- Strategy deliberation and formulation
- Updates on operational progress
- Updates on HR strategies, such as compensation & benefits, succession planning, and learning & development
- Updates on digitalisation & automation implementation



Governance, Risk & Compliance

- Board Committee updates
- Updates to the Limits of Authority
- Key enterprise risks, risk registers, and risk mitigation plans
- Quarterly audit status reports
- Adoption of Directors' Fit and Proper Policy
- Anti-Bribery Management System (ABMS) updates including whistleblowing and gift register reviews
- Employee Anti-Bribery and Corruption (ABC) training updates
- IT and Cybersecurity updates
- Quarterly Health & Safety updates



Sustainability

- Scope 1 and Scope 2 carbon emissions data review
- Emission reduction strategies, science-based targets and expanding collection and disclosure of Scope 3 emissions data
- Climate Risks and Opportunities, and Task Force for Climate-Related Financial Disclosure (TCFD) Qualitative risk assessment reporting
- Sustainable procurement strategies for managing Scope 3 emissions
- External communications and Stakeholder engagement on ESG
- Changes to F4GBM Index inclusion criteria for carbon-intensive industries
- Adoption of new ILO-aligned Human Rights Policy
- Compliance with EPF's Sustainable Investment Policy
- Compliance with Bursa Malaysia's Enhanced Sustainability Disclosure Requirements
- Development of a new sustainable design policy



Financial

- Annual 2022 business plan and budget
- Audited Financial Statements for 2021
- Quarterly financial results
- Annual dividend
- Deliberation on acquisitions, disposals and tender proposals
- Cost Reduction initiatives
- Sukuk issuance
- Sustainable finance



People & Culture

- Succession Planning
- Talent management initiatives
- Learning & development initiatives
- Annual staff bonus and increments
- Workforce planning
- Corporate Social Responsibility (CSR) initiatives

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD ACCESS TO INFORMATION

The quality of information provided to the Board is critical as it enables sound decision-making. In the course of discharging their duties, all Directors are provided with:

- a) Full and unrestricted access to timely and accurate information. The notice, agenda, and a full set of Board papers are typically distributed to the Directors via a secured collaborative software, at least five business days prior to each Board or Committee meeting. In addition to easing the distribution of papers and minimising potential leakage of sensitive information, this approach enables Directors to access, review, and collaborate with their peers on the papers, anytime and anywhere. If necessary, Directors may also obtain further information on the matters to be discussed, in order to be properly prepared for the meetings.
- b) Unrestricted access to the advice and services of the Company Secretary and Senior Management.
- c) Unrestricted access to the advice and services of independent professionals made available to Board members individually and collectively. Such advice and services are made available at the Company's expense and are wholly independent of Management's intervention.

In addition, the Board may collectively conduct or direct any investigation and may retain, at the Company's expense, any legal, accounting, or other services that it considers necessary to perform its duties.

Company Secretary

Mohamed Noor Rahim bin Yahaya

Company Secretary

The Company Secretary is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and is bound by MAICSA's Code of Professional Ethics and Conduct to Act as Company Secretaries. He possesses the requisite experience to provide unhindered advice to the Board to ensure its effective functioning and compliance with regulatory requirements.

Roles & Responsibilities of the Company Secretary in relation to the Board

- Attending all Board meetings and ensuring that all deliberations are properly documented and recorded;
- Ensuring that all Board procedures are followed and the applicable rules and regulations for the conduct of the Board's affairs are complied with;
- Advising the Board on issues relating to the Company's Constitution, corporate governance best practices and compliance-related matters;
- Circulating draft minutes to all Directors for their perusal and comments before the confirmation of the same at the next meeting; and,
- Serving adequate notice to Directors and the Company's principal officers to notify them of the 'closed periods' for trading of the Company's shares, in accordance with Bursa Malaysia's Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

The Company Secretary keeps himself abreast of the evolving regulatory changes and developments through continuous training. During the year under review, the Company Secretary attended the following training programmes:

No.	Training / Seminar Attended	Date	Organiser
1.	MAICSA Annual Conference 2022: Challenging the Challenges in Governance	5 & 6 October	The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
2.	In-House Training Programme: Computation of Percentage Ratios and Materiality Thresholds for Bursa Malaysia Announcements	19 & 20 October	MRCB / CKM Advisory Sdn Bhd

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging their functions for the year under review.

DIRECTORS' INDEMNITY

We continue to provide and maintain indemnification for our Directors throughout the financial year as allowed under the Companies Act 2016 (CA 2016) to the extent it is insurable under the Directors' and Officers' (D&O) Liability Insurance. Directors and Officers are indemnified against any liability incurred by them in discharging their duties while holding office as Directors and Officers of the Company.

All Directors may opt to obtain additional D&O insurance to provide protection (to the extent it is insurable) against unindemnified liabilities by the Company or other uninsured circumstances. Premiums for such additional insurance are to be paid by the Directors themselves.

BOARD DELEGATION

Board Committees

The Board from time to time establishes committees as it considers appropriate to assist in carrying out its duties and responsibilities. The following four Board Committees have been in operation during the year under review:

Board Committee	Core Function
Executive Committee	Provides organisational direction to the Group Managing Director and the Senior Management team
Audit & Risk Management Committee	Assists the Board in fulfilling its audit and risk governance and oversight responsibilities over the activities of the Group
Nomination & Remuneration Committee	Assists the Board in developing and administering a fair and transparent policy for the nomination, selection, compensation, and succession planning of Directors and Senior Management, setting Key Performance Indicators of Senior Management, aligning the Group's human capital with the strategic objectives of the organisation to encourage a positive corporate culture, in addition to overseeing learning and development initiatives
Long-Term Incentive Plan (LTIP) Committee	Implements and administers the share grant plan under the Group's LTIP

Each Committee is authorised by the Board to deal with and to deliberate on matters delegated to them as defined within their Terms of Reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings, and the minutes will be included in the Board Papers for the Board's notification.

Descriptions of the key functions and responsibilities of the respective Committees and their composition are set out on pages 218 - 225 of this Integrated Annual Report.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Powers delegated to Management

The Board delegates specified levels of authority and power to the Group Managing Director to manage the Company and its businesses. The Group Managing Director may further delegate aspects of his authority and power to the Management team as required; however, he always remains accountable to the Board for the Group's performance. The Group Managing Director and his Management team are required to report regularly to the Board on the progress being made by the Group's business units.

Limits of Authority

In order to enhance the accountability of the Group Managing Director and Senior Management, the Group has in place a Limits of Authority document which governs the limits of transactions that each level of Management can approve or commit the Group to and specifies transactions that need to be escalated and approved by the Board or Board Committees. Both financial and operational commitments are addressed within the document, for example, the approval of project and departmental budgets, signing of contracts or agreements, and the recruitment of staff.

All changes to the Limits of Authority document are approved by the Board, and may be revised as and when required, with the last revision being on 27 March 2023.

DIRECTORS' TRAINING AND CONTINUING DEVELOPMENT

In line with Paragraph 15.08 of Bursa Malaysia's Main Market Listing Requirements (MMLR), the Directors recognise the importance and value of keeping themselves abreast of the latest developments within the industries MRCB operates in, particularly in terms of sustainability and technological advancements, as well as ongoing changes to all applicable statutory and regulatory requirements.

Alongside the Mandatory Accreditation Programme (MAP) required by Bursa Malaysia, the Directors continue to update their knowledge and enhance their skills through appropriate continuing education programmes. This enables the Directors to effectively discharge their duties and sustain active participation in Board deliberations.

The Board assesses the training needs of the Directors from time to time, and ensures Directors have access to continuing education programmes. The training programmes and seminars attended by the Directors throughout 2022 were as follows:

TAN SRI AZLAN ZAINOL

No.	Training / Seminar Attended	Date	Organiser
1.	Overview of Environmental, Social & Governance (ESG) and Climate Change	11 February	Kuala Lumpur Kepong Berhad (KLK) / KPMG Management & Risk Consulting Sdn Bhd
2.	Corporate Governance, MACC Act 2009 & AML / CFT: Evolving Challenges & Expectations in Regulatory Compliance Programme	16 June	MBSB Holdings and Bank
3.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

TAN SRI MOHAMAD SALIM FATEH DIN

No.	Training / Seminar Attended	Date	Organiser
1.	GSMA Mobile World Congress (MWC)	28 February - 2 March	Global System for Mobile Communications Association (GSMA) / Malaysian Communications and Multimedia Commission (MCMC)
2.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
3.	Plenipotentiary Conference 2022 (PP – 22)	26 - 30 September	International Telecommunication Union (ITU) / Malaysian Communications and Multimedia Commission (MCMC)
4.	Companies Act 2016, Practical Guide for Company Directors	4 October	Companies Commission of Malaysia (SSM)

IMRAN SALIM

No.	Training / Seminar Attended	Date	Organiser
1.	MIDF Conversations with Ang Xing Xian & Darrel Ang of CapBay	14 April	Kuala Lumpur Business Club
2.	EU-Malaysia Dialogue: Fighting Climate Change with Market Mechanism	25 May	Kuala Lumpur Business Club
3.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
4.	Advocacy Sessions for Directors & Senior Managers for Main Market Listed Issuers	13 September	Bursa Malaysia Berhad
5.	Fraud Prevention and Detection	8 November	Minority Shareholders Watch Group
6.	MARC360: Property Outlook 2023	15 December	Malaysian Rating Corporation Berhad

CORPORATE GOVERNANCE
OVERVIEW STATEMENT**DATO' MOHAMAD NASIR AB LATIF**

No.	Training / Seminar Attended	Date	Organiser
1.	EPF Climate Change and Workers Well-Being	17 January	Employees Provident Fund (EPF)
2.	PLUS Safety Day 22	22 January	PLUS Malaysia Berhad
3.	Overview on Corruption Risk Management & Organisation Anti-Corruption Plan	9 March	RHB Group Legal, Secretariat & Governance
4.	Sustainability for the Palm Oil Sector	17 March	Asia School of Business
5.	Sustainable Investment Policy	31 March	Employees Provident Fund (EPF)
6.	Sustainability in the Energy Sector	12 April	Asia School of Business
7.	Empowering and Rewarding the "Boardroom Brigade"	18 May	KPMG Board Leadership Centre
8.	Fiduciary Duties of Board and Investment Panel	6 July	Messrs Shook Lin & Bok
9.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
10.	Heavy Vehicle Technology and Safety Conference	17 August	Malaysian Institute of Road Safety Research (MIROS)
11.	Corporate Governance & Remuneration Practices for the ESG World	6 September	Asia School of Business
12.	Conflict of Interest	7 October	RHB Group Compliance
13.	Navigating Venture Capital and Technology and Technology Investment in Malaysia	19 October	Ernst & Young (EY)
14.	The Blue Economy	23 November	RHB Islamic Training
15.	ESG Disclosures: Improving the Quality of ESG Data and its Impact	23 November	Securities Industry Development Corporation (SIDC)

DATUK SERI AMIR HAMZAH AZIZAN

No.	Training / Seminar Attended	Date	Organiser
1.	Virtual Social Security Forum for Asia and the Pacific - The Future of Social Security Management	22 - 24 February	International Social Security Association (ISSA)
2.	World Economic Forum 2022	23 - 26 May	World Economic Forum
3.	World Social Security Forum - Social Security for Resilient and Inclusive Societies	24 - 28 October	International Social Security Association (ISSA)

MOHAMAD HAFIZ KASSIM

No.	Training / Seminar Attended	Date	Organiser
1.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
2.	CFO Transition Lab	16 November	Deloitte

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

DATO' WAN KAMARUZAMAN WAN AHMAD

No.	Training / Seminar Attended	Date	Organiser
1.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd

DATO' DR JUNAIDAH KAMARRUDDIN

No.	Training / Seminar Attended	Date	Organiser
1.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
2.	Khazanah Megatrends Forum 2022	3 & 4 October	Khazanah Nasional Berhad

LIM FEN NEE

No.	Training / Seminar Attended	Date	Organiser
1.	JC3 SC4 Capacity Building Climate Scenario Analysis & Stress Day 1 and Day 2	13 & 14 January	Bank Negara Malaysia (BNM) (JC3)
2.	JC3 SC4 Implementation and Application of CCPT & Insurance Sector	19 January	Bank Negara Malaysia (BNM) (JC3)
3.	BNM My Fintech Week 2022 & Financial Sector Blueprint Launch	24 - 28 January	Bank Negara Malaysia (BNM)
4.	BNM-FIDE Forum: MyFintech Week Masterclasses	27 January	FIDE Forum
5.	Mandatory Accreditation Programme for Directors (Bursa)	15 - 17 February	ICDM
6.	BNM-FIDE Forum Dialogue: Licensing Framework for Digital Insurers and Takaful Operators	23 February	FIDE Forum
7.	MIA Digital Month: Leading the Digital Transformation of the Accountancy Profession in Malaysia	2 March	Malaysian Institute of Accountants (MIA)
8.	Gender Equality Today for a Sustainable Tomorrow: Shifting Mindsets, Behaviours and Practices for Enduring Change	8 March	Malaysian Institute of Management (MIM)
9.	BNM-FIDE Forum Dialogue: Climate Risk Management and Scenario Analysis	8 March	FIDE Forum
10.	MIA Digital Month: Sharing on Digitalisation Grant	9 March	Malaysian Institute of Accountants (MIA)
11.	Risk Appetite, Tolerance and Board Oversight	17 March	Institute of Enterprise Risk Practitioners (IERP)
12.	Strategic Enterprise Risk Management - A Primer for Directors	17 March	Institute of Enterprise Risk Practitioners (IERP)
13.	Tax Season 2022: Here's How to Get a Jump-Start on the Upcoming Tax Season	24 March	HSBC
14.	MIA AccTech Conference 2022	29 & 30 March	Malaysian Institute of Accountants (MIA)

CORPORATE GOVERNANCE
OVERVIEW STATEMENT**LIM FEN NEE (CONT'D)**

No.	Training / Seminar Attended	Date	Organiser
15.	Audit Oversight Board's Conversation with Audit Committee	7 April	Securities Commission Malaysia (SC)
16.	Cybersecurity Awareness Training	12 April	Allianz Malaysia Berhad / LE Global Services Sdn Bhd
17.	HSBC 2 nd Quarter 2022 Foreign Exchange (FX) Market Outlook	18 May	HSBC
18.	JC3 Upskilling Sustainability Training (JUST) Series 2 Workshop 1 – The Power of ESG Data	19 May	Bank Negara Malaysia (BNM) (JC3)
19.	Audit Committee Conference 2022 - Beyond Effectiveness: Governance, Sustainability and Agility (Panellist Session - Pandemic Proof Sustainability: The AC Perspective)	23 & 24 May	Institute of Internal Auditors (IIA)
20.	FIDE MetaFinance: The Next Frontier of the Global Economy	23 May	FIDE Forum
21.	HSBC Mid-Year Investment Outlook 2022: Adapting to Disruptions	20 June	HSBC
22.	HSBC Property Outlook	19 July	HSBC
23.	Directors Guide to BCM and ISO 22301	28 July	Institute of Enterprise Risk Practitioners (IERP)
24.	Directors Guide to Crisis Management and Leadership during Crisis	28 July	Institute of Enterprise Risk Practitioners (IERP)
25.	JC3 JUST Series 2 Governance and Reporting Workshop 2: Implementation of Task Force on Climate-Related Financial Disclosures (TCFD)	2 & 3 August	Bank Negara Malaysia (BNM) (JC3)
26.	ICDM Power Talk – ESG Series 5: Climate Change and Carbon: From the Financial Risk & Reporting Perspectives	4 August	Institute of Corporate Directors Malaysia (ICDM)
27.	Capacity Building Briefing on Task Force on Climate-Related Financial Disclosures (TCFD)	5 August	MRCB / ERM Asia Pacific (M) Sdn Bhd
28.	ICDM Power Talk – ESG Series 6: Characteristics of ESG & Sustainability Leadership	11 August	Institute of Corporate Directors Malaysia (ICDM)
29.	Bursa Malaysia-Maybank Sectorial Series: Why Malaysia (Malaysia Outlook and Lookouts)	15 August	Bursa Malaysia Berhad / Malayan Banking Berhad
30.	Malaysian Accounting Standards Board (MFRS) 17 Insurance Contract	18 August	Allianz Malaysia Berhad / KPMG Malaysia
31.	HSBC EVOKE Expert Series: The World Will Never be the Same Again	13 September	HSBC
32.	Data Privacy & Personal Data Protection Act 2010	13 September	Allianz Malaysia Berhad
33.	PIDM-FIDE Forum: Recovery and Resolution Planning Sharing Session	20 September	FIDE Forum

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

LIM FEN NEE (CONT'D)

No.	Training / Seminar Attended	Date	Organiser
34.	International Directors Summit 2022	26 - 28 September	Institute of Corporate Directors Malaysia (ICDM)
35.	Khazanah Megatrends Forum 2022	3 & 4 October	Khazanah Nasional Berhad
36.	Bank Negara Malaysia's requirement on Beneficial Ownership	5 October	Allianz Malaysia Berhad
37.	Guidelines for Reporting Framework on Beneficial Ownership under Companies Act 2016	5 October	Allianz Malaysia Berhad / Companies Commission of Malaysia (SSM)
38.	2022 IFAC EdExchange: The Future of Technology in Accounting Summit	17 - 19 October	International Federation of Accountants (IFAC)
39.	Digital Transformation for Small and Medium Practices	20 October	Malaysian Institute of Accountants (MIA)
40.	Economic Update, Blockchain Technology and Applications, Overview of Employment Act amendments, new Sexual Harassment Bill	3 November	Shangri-La Hotels (Malaysia) Berhad
41.	Cybersecurity Threats for Top Executive	8 November	Allianz Malaysia Berhad / LE Global Services Sdn Bhd
42.	The Emerging Trends Threats and Risk to the Financial Services Industry – Managing Global Risk Investment and Payment System	24 November	FIDE Forum
43.	Directors Guide in Risk Management in Technology (RMIT) (Series 18)	1 December	Institute of Enterprise Risk Practitioners (IERP)
44.	Audit Oversight Board's Conversation with Audit Committees	6 December	Securities Commission Malaysia (SC)

BOARD EFFECTIVENESS EVALUATION

The effectiveness of the Board is vital to the success of the Group. It is therefore our practice to conduct a Board Effectiveness Evaluation (BEE) annually, in order to assess the effectiveness of the Board as a whole, the respective Board Committees, and the contribution of individual Directors. We also engage independent consultants at least once every three years to support this process to facilitate more rigorous and objective evaluations. The results of the BEE and the recommendations are discussed and deliberated at the Nomination & Remuneration Committee (NRC) meetings and the Board.

Scope of Evaluation



Board as a whole



All Board Committees



Contribution of Individual Directors

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MRCB is cognisant that periodic evaluations of its Board, its various committees, and respective Directors play a critical role in driving continuous improvement in Board effectiveness. It presents an opportunity to gain valuable shared insights into the operation of the Board and ways to improve its processes, relationships, and composition. A well-executed evaluation exercise identifies opportunities to enhance performance and adopt best practices.

BDO Governance Advisory Sdn Bhd (BDO) was appointed by MRCB to undertake an independent evaluation of the effectiveness of the Board, its Committees, as well as the performance and contribution of each Director.

Surveys were distributed to the participants via an online platform hosted by BDO. Based on the survey results, the participants were also interviewed to solicit further feedback. These were followed by an analysis of the responses and insights provided by each participant.

Board Effectiveness Evaluation	Board Committee Evaluation	Individual Director Effectiveness
Participant(s) <ul style="list-style-type: none"> All Directors Senior Management Team 	Participant(s) <ul style="list-style-type: none"> All Board committee members 	Participant(s) <ul style="list-style-type: none"> All Directors

Four key areas and attributes were analysed in the evaluation, as set out below:

- Board Role Clarity**

Board members should demonstrate a clear understanding of their role as being that of governance, to provide oversight, add value and most importantly how their role differs from that of management.
- Board Composition & Renewal**

Addresses pertinent issues such as the size of the Board, process for recruiting new Directors, diversity and ongoing renewal, including succession plans for the Board.
- Board Processes**

How a Board comes together to address issues and make decisions is a critical determinant of its effectiveness. Factors include Chair Leadership, Committee Leadership, Performance Management of the Board, Boardroom Dynamics, Board Delegations, Board / CEO Relationship, Board / Management Relationship, Information Management, and Meeting Management.
- Board Tasks**

Describes what the Board does in terms of its main tasks. Factors include Purpose and Strategy, Board Priorities, Organisational Performance, Organisational Culture and Integrity, Governance of Risk and Compliance, Executive Talent and Succession, Executive Remuneration, Continuous Improvement, and Adding Organisational Value.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Additionally, open questions were included to allow the participants to highlight areas of strength and improvements to enhance Board effectiveness and ultimately, organisational performance.

Overall, the results of the evaluation were positive. Based on the survey responses, MRCB's Board was benchmarked in the top quartile of boards when compared with comparable boards in BDO's database of public-listed companies based in Malaysia and Australia. The Board was benchmarked in the top quartile for the following 13 effectiveness factors; Board Role Clarity, Board Composition and Renewal, Committee Leadership, Performance Management of the Board, Board Delegations, Board / CEO Relationship, Information Management, Organisational Performance, Organisational Culture and Integrity, Executive Talent and Succession, Executive Remuneration, Continuous Improvement, and Adding Organisational Value.

The findings and evaluation results were reviewed by the NRC on 23 March 2023 and subsequently presented to the Board on 27 March 2023.

Based on the findings of the BEE, the Board is satisfied with its performance and effectiveness, and that of the Board Committees.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Appointment of Directors

In line with updates to Paragraphs 15.01A and 15.08A(3) of Bursa Malaysia's Main Market Listing Requirements (MMLR) in the past year to strengthen Board effectiveness, MRCB has developed and applied a Directors' Fit and Proper Policy that sets out the approach and procedures to ensure a formal, rigorous and transparent process is being adhered to for the appointment and re-election of the Directors of MRCB and its subsidiaries. The said policy can be viewed at www.mrcb.com.my/corporate-governance.html.

The nomination of Non-Independent Non-Executive Directors (NINED) to the Board is the prerogative of the major shareholders of the Company, as defined within Bursa Malaysia's MMLR. The nomination of Independent Non-Executive Directors (INED) to the Board may be made via the recommendations from existing Board members, Management, or major shareholders, and / or via the engagement of professional recruiters or advisory bodies to identify suitable candidates for any vacant positions. If the former approach was solely relied upon, the Nomination & Remuneration Committee (NRC) provides appropriate justification outlining why this was deemed to be sufficient.

In its selection of high-quality candidates who will be well-suited for the Board, the NRC develops and deliberates selection criteria based on competencies and attributes required for the position. All nominees are first vetted by the NRC, taking into consideration:

- Qualifications, skills, experience, relevant past performance, track record and competencies necessary for the position;
- Personal attributes, such as character, level of probity and integrity, reputation, time commitment and independence;
- Diversity in terms of gender, race, age, culture, experience, and socioeconomic background; and,
- Overall alignment with the Company's strategic direction.

In addition, the NRC also considers each nominee's ability to devote the time required to effectively meet the demands and expectations of the role. This includes considering all existing Board positions currently held by the nominee, including on Boards of non-listed companies. Any nominees holding positions that have the potential to cast doubt on the integrity and governance of the Company, such as active politicians or individuals with direct links to those with executive powers, shall be avoided.

Once shortlisted, all potential candidates undergo comprehensive reference checks conducted by the Company Secretary, particularly in terms of their financial and character integrity. This includes background checks with credit agencies, local authorities, industry regulators, and enforcement agencies to ensure that the candidate is truly qualified to serve as a Director. The candidates are also required to make the Fit and Proper Declaration. The NRC assesses all findings and makes a recommendation to the Board for its final approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

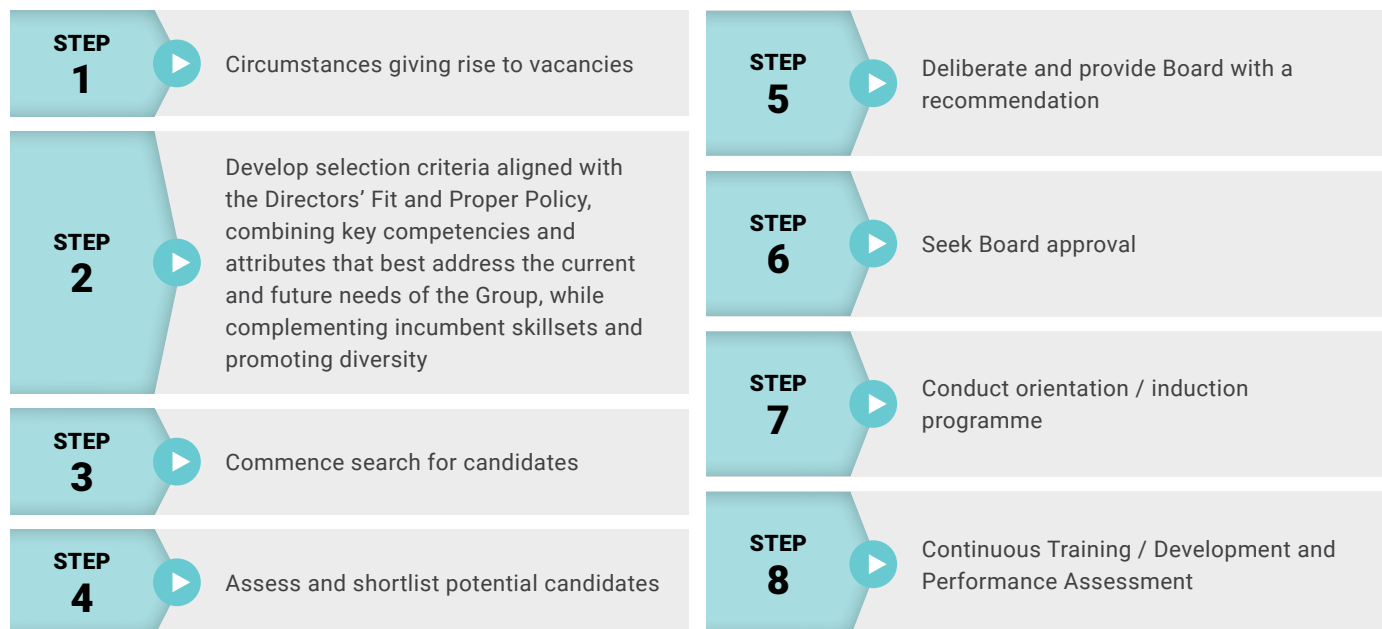
The Company Secretary further coordinates with the NRC to organise orientation sessions for newly appointed Directors to ease their onboarding process. Such sessions typically include an introduction to the Company's key activities, governance structures, key governance documentation such as the Code of Business Ethics (Code), ESG performance, recent financial performance, and strategy. Additional deep dive sessions on specific topics of interest are also arranged if required by the incoming Director.

Following appointment / re-election, the Company Secretary is required to conduct an assessment of the Directors if a triggering event occurs (e.g., MRCB becoming aware of information that may materially compromise a Director's fitness to serve) and document the findings and results on each of them, addressing the following:

- i. Whether the Director has at any time failed to comply with the requirements under MRCB's Directors' Fit and Proper Policy;
- ii. Whether the Director has had any convictions; and,
- iii. Whether the Director has any conflict of interest.

Similarly, the NRC also identifies and recommends to the Board for its approval, candidates for the appointment of the Group Managing Director, Group Chief Financial Officer, Group Chief Operating Officer and Chief Corporate Officer. Independent advisors and / or professional recruitment firms may also be engaged to identify suitably qualified candidates that meet the identified skills, experiences, competencies, and diversity requirements for the vacant position.

Appointment of New Directors or Senior Management



CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Re-election of Directors

Articles 101, 102, 103, and 106 of MRCB's Constitution govern the process and sequence of re-election of Directors. The Articles can be summarised as follows:

Article 101

- One-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM at least once in every three (3) years.

Article 102


- The retiring Directors shall be those individuals who have served longest in office since their last appointment or election.

Article 103

- If still eligible and willing, the retiring Directors may be re-elected at an AGM by way of Ordinary Resolution.

Article 106

- Directors appointed as an addition to the existing Board shall hold office only until the next AGM and shall then be eligible for re-election.

 Further details on the relevant Articles can be found within MRCB's Constitution at www.mrcb.com.my/corporate-governance.html.

The Directors' rotation list is presented to the Board for review and thereafter recommended to the shareholders for approval. The Board ensures that the notes accompanying the Notice of the General Meeting to shareholders are complete with all information necessary to support their informed decision-making on the matter. This includes:

- An assessment of the candidates' continued eligibility for re-election based on their competencies, commitment, and performance track record, in line with MRCB's Directors' Fit and Proper Policy;
- Details of any interest, position or relationship that might influence the candidates' capacity to function effectively; and,
- A clear statement outlining the Board's justification for recommending the re-election of the candidate.

Directors retiring by rotation in 2022 pursuant to Articles 101 and 102

- Dato' Mohamad Nasir Ab Latif

During the Board meeting held on 4 April 2022, the Board gave its endorsement for Dato' Mohamad Nasir Ab Latif to be considered for re-election at MRCB's 51st AGM.

He was subsequently re-elected by way of Ordinary Resolution.

Directors eligible for re-election in 2022 pursuant to Article 106

- Tan Sri Mohamad Salim Fateh Din
- Datuk Seri Amir Hamzah Azizan
- Mohamad Hafiz Kassim
- Dato' Dr Junaidah Kamarruddin
- Lim Fen Nee

The Directors were appointed to the Board on dates after MRCB's 50th AGM (8 June 2021), as follows:

- Tan Sri Mohamad Salim Fateh Din – 1 September 2021
- Datuk Seri Amir Hamzah Azizan - 1 September 2021
- Mohamad Hafiz Kassim – 1 September 2021
- Dato' Dr Junaidah Kamarruddin – 1 July 2021
- Lim Fen Nee – 1 November 2021

In line with Article 106 of MRCB's Constitution, they shall hold office only until the next AGM at which they will have to seek re-election. During the Board meeting held on 4 April 2022, the Board gave its endorsement for all of them to be considered for re-election at MRCB's 51st AGM.

All of them were subsequently re-elected by way of Ordinary Resolution.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The application of MRCB's Directors' Fit and Proper Policy in the re-election of each of the aforementioned Directors as per Paragraph 15.08A(3) of Bursa Malaysia's MMLR is disclosed in detail as follows:

- a) In deliberating the re-election of the retiring Directors, the NRC had taken into consideration the performance and contribution of each Director based on the outcome of the Board Effectiveness Evaluation conducted for the financial year 2021, the criteria prescribed by Paragraph 2.20A of Bursa Malaysia's MMLR on the qualification of Directors and the overall desired Board composition.
- b) Based on the outcome of the assessment on independence, the NRC was also satisfied that both Dato' Dr Junaidah Kamarruddin and Lim Fen Nee had met the criteria as required by Bursa Malaysia's MMLR and that they continued to bring independent and objective judgement to Board deliberations.
- c) In view thereof, the Board was satisfied with the performance and contributions of the retiring Directors and had endorsed the NRC's recommendation to seek shareholders' approval at MRCB's 51st AGM for the re-election of the retiring Directors based on the following justifications:

i. Tan Sri Mohamad Salim Fateh Din

- Tan Sri Mohamad Salim, a nominee of Gapurna, was appointed as the Executive Vice Chairman of MRCB on 1 September 2021.
- A major shareholder has the prerogative to appoint nominee Directors who will best represent their position and interests. Nevertheless, as a self-made man with a pioneering spirit, Tan Sri Mohamad Salim is a highly successful Malaysian entrepreneur who has a long list of achievements in both the property and construction industry in the country. He has brought valuable expertise, experience, insights and knowledge to the Board of MRCB, particularly in terms of strategic planning, industry expertise and business and stakeholder management experience.

ii. Datuk Seri Amir Hamzah Azizan

- Datuk Seri Amir Hamzah, a nominee of EPF, was appointed as the Non-Independent Non-Executive Director of MRCB on 1 September 2021.

- A major shareholder has the prerogative to appoint nominee Directors who will best represent their position and interests. Nevertheless, Datuk Seri Amir Hamzah brought significant depth of expertise to the Board of MRCB, particularly in terms of strategic planning, industry expertise, management experience, and financial expertise gained at some of Malaysia's leading local and multi-national corporations.

iii. Mohamad Hafiz Kassim

- Mohamad Hafiz, a nominee of EPF, was appointed as the Non-Independent Non-Executive Director of MRCB on 1 September 2021. He is also a member of the Audit & Risk Management Committee (ARMC) and NRC.
- A major shareholder has the prerogative to appoint nominee Directors who will best represent their position and interests. Nevertheless, Mohamad Hafiz has over 20 years of corporate experience with a focus on real estate, private equity, capital markets, auditing and accounting in many leading local and multi-national corporations. Given his experience and exposure, he brought significant depth of expertise to the Board, providing valuable insights to the Management in developing the Group's business strategies.

iv. Dato' Dr Junaidah Kamarruddin

- Dato' Dr Junaidah was appointed as an Independent Director of MRCB on 1 July 2021. She is also a member of the ARMC, NRC and Long-Term Incentive Plan (LTIP) Committee.
- Dato' Dr Junaidah brings over 27 years' experience gained across a diverse range of senior Government roles at key ministries such as the Ministry of Human Resources, Ministry of Finance, Ministry of Natural Resources & Environment, and the Prime Minister's Department. She also has significant experience in leading trade negotiations. The Government of Malaysia is a very important stakeholder of MRCB, given its position as the Group's largest client and regulator, and a source of future infrastructure development projects through its various national infrastructure development programmes and initiatives. Her wealth of experience within the civil service is valuable in guiding and providing advice and insights into MRCB's strategy and decision-making in relation to managing a very key stakeholder.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

v. **Lim Fen Nee**

- Lim Fen Nee was appointed as an Independent Director of MRCB on 1 November 2021 and also a member of the ARMC.
- She is a highly experienced professional with over 24 years' experience in the fields of accounting, assurance, and regulatory oversight. She has served with numerous leading private corporations and contributed to the development of key regulatory oversight frameworks during her time with the Securities Commission and on the Boards of accounting bodies such as ACCA Malaysia and Malaysian Institute of Accountants. Given her exposure and experiences, Lim Fen Nee has significantly contributed to the areas of financial reporting, assurance, risk management and governance.

vi. **Dato' Mohamad Nasir Ab Latif**

- Dato' Mohamad Nasir, a nominee of EPF, was appointed as the Non-Independent Non-Executive Director of MRCB on 24 August 2018. He is also the Chairman of the Executive Committee and Chairman of the LTIP Committee.
- A major shareholder has the prerogative to appoint nominee Directors who will best represent their position and interests. Nevertheless, given his invaluable exposure and experience in EPF and his Board positions at some of Malaysia's leading corporations, Dato' Mohamad Nasir brings his insightful and in-depth knowledge in diverse areas and leads effective Board deliberation on the Group's business direction / strategies.

Succession Planning

The Board has established a framework on succession planning to govern human capital development within the Group. As outlined within the Board Charter, the NRC has the responsibility to ensure adequate succession planning is conducted to ensure the orderly identification and selection of new Independent Directors in the event of an opening on the Board, whether such opening exists by reason of an anticipated retirement, the expansion of the size of the Board, or otherwise.

A Policy and Guidelines statement on Succession Planning for the Board and Senior Management has also been implemented and outlines our commitment to implementing an effective succession planning programme that serves as a platform for the systematic identification and long-term development of a diverse pool of high-potential candidates that can contribute to the Company in the future. This policy sets out clear selection criteria, including key skills and diversity in terms of background, gender, age, ethnicity, education, and field of experience. This document can be viewed at www.mrcb.com.my/corporate-governance.html.

REMUNERATION

Directors' Remuneration

Directors' remuneration is governed by the Group's Remuneration Policy for the Board of Directors and Senior Management. The document was recently updated to appropriately reflect the different roles and responsibilities of Non-Executive Directors (NED), Executive Directors (ED) and Senior Management, which enabled us to successfully adopt and apply Practice 7.1 of MCCG 2021. The document is available on the Company's website, www.mrcb.com.my/corporate-governance.html.

The document outlines the Company's policies in preparing competitive remuneration packages for NEDs, EDs and Senior Management respectively, that are best suited to attract and retain experienced, qualified, high-calibre key talent who can drive the business, strategies, objectives, values, and long-term interests of MRCB. Remuneration packages are always commensurate with, and reflect the level of responsibility, accountability and experience required in each position, while encouraging value creation for MRCB and its stakeholders.

The Nomination & Remuneration Committee (NRC) reviews the remuneration packages of the NEDs at least once in every three years based on industry and market rates, and thereafter makes its recommendation to the Board for endorsement, prior to tabling to the Company's shareholders for their approval at the Annual General Meeting. All NEDs receive a fixed base fee, plus meeting allowances and other benefits-in-kind as consideration for their Board duties. The aggregate total of Directors' fees to be paid to NEDs is subject to the approval of the shareholders at the General Meeting. Remuneration of NEDs is not linked to individual performance.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Company provides a fair and reasonable remuneration for its Group Managing Director, to ensure that the Company attracts and retains a high-calibre Group Managing Director who has the skills, experience, and knowledge necessary to create value for the benefit of all shareholders. The remuneration for the Group Managing Director is based on his achievements and contributions, measured against his Key Performance Indicators. The Board determines the remuneration of the Group Managing Director, taking into consideration the recommendations of the NRC.

As the Directors do not receive any remuneration from any other companies within the Group, all the Directors' remunerations disclosed below were for services rendered to MRCB for the financial year ended 31 December 2022.

Directors	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits -in-Kind (RM)	Other Emoluments (RM)	Total (RM)
Independent Chairman							
Tan Sri Azlan Zainol	200,000	144,000	-	-	20,532	-	364,532
Executive Vice Chairman							
Tan Sri Mohamad Salim Fateh Din	-	-	1,680,000	-	37,575	192,643	1,910,218
Group Managing Director							
Imran Salim	-	-	1,320,000	-	95,461	448,757	1,864,218
Non-Independent Non-Executive Directors							
Dato' Mohamad Nasir Ab Latif	150,000	169,000	-	-	7,011	-	326,011
Datuk Seri Amir Hamzah Azizan*	150,000	36,000	-	-	-	-	186,000
Mohamad Hafiz Kassim*	150,000	66,000	-	-	-	-	216,000
Independent Directors							
Dato' Wan Kamaruzaman Wan Ahmad	150,000	102,000	-	-	6,129	-	258,129
Dato' Dr Junaidah Kamarruddin	150,000	66,000	-	-	-	-	216,000
Lim Fen Nee	150,000	57,000	-	-	-	-	207,000
Total	1,100,000	640,000	3,000,000	-	166,708	641,400	5,548,108

* 50% of the Directors' fees for EPF nominees on the Board of the Company are paid directly to EPF

Senior Management's Remuneration and Shareholdings

Senior Management's remuneration consists of several components that are linked to their individual performance against annual Key Performance Indicators, such as achieving operational targets and addressing material sustainability risks and opportunities facing the Company. The said Key Performance Indicators are approved by the NRC. Further alignment to the long-term interests of the Company is achieved via the Long-Term Incentive Plan (LTIP), a deferred bonus scheme that grants shares upon successful achievement of Company-level key performance measures.

Remuneration packages of key Senior Management are reviewed every two years by the NRC. If applicable, any changes required are subsequently recommended to the Board. It is the responsibility of the Board to collectively review, and if deemed fit, to approve the remuneration packages.

In compliance with Practice 8.2 of the MCGG 2021, MRCB has set out a summary of the top five Senior Management members' remuneration for the financial year ended 31 December 2022 below, which includes basic salary, bonuses, benefits-in-kind, statutory contributions, and other emoluments. However, we note the departure from Step-Up Practice 8.3 of the MCGG 2021 as the total remunerations have been disclosed in bands of RM50,000. This approach strikes a balance between respecting personal privacy rights, while providing sufficiently precise datapoints that facilitate stakeholder scrutiny.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

MCCG PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS (CONT'D)

Senior Management	Salary (RM)	Allowance (RM)	Bonus (RM)	Benefits (RM)	Other Emoluments (RM)	Total (RM)
Ann Wan Tee (Group Chief Financial Officer)	1,300,001 - 1,350,000	50,001 - 100,000	-	50,001 - 100,000	250,001 - 300,000	1,700,001 - 1,750,000
Kwan Joon Hoe (Group Chief Operating Officer)	1,250,001 - 1,300,000	50,001 - 100,000	-	100,001 - 150,000	250,001 - 300,000	1,700,001 - 1,750,000
Amarjit Singh Chhina (Chief Corporate Officer)	900,001 - 950,000	50,001 - 100,000	-	50,001 - 100,000	200,001 - 250,000	1,250,001 - 1,300,000
Dato' Haji Ishak Bin Haji Mohamed (Executive Vice President)	1,050,001 - 1,100,000	50,001 - 100,000	-	0 - 50,000	0 - 50,000	1,150,001 - 1,200,000
Datuk Dell Akbar Khan Bin Hyder Khan (Executive Vice President)	850,001 - 900,000	50,001 - 100,000	-	0 - 50,000	0 - 50,000	950,001 - 1,000,000

Details of Senior Management's shareholdings in the Company during the financial year are set out below:

Senior Management	Number of ordinary shares			
	Balance as at 01.01.2022	Acquisition during the year	Disposal during the year	Balance as at 31.12.2022
Ann Wan Tee	806,700	Nil	Nil	806,700
Kwan Joon Hoe	549,100	Nil	Nil	549,100
Amarjit Singh Chhina	223,000	Nil	Nil	223,000
Dato' Haji Ishak Bin Haji Mohamed	650,800	Nil	Nil	650,800
Datuk Dell Akbar Khan Bin Hyder Khan	484,056	Nil	Nil	484,056

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

ACCOUNTABILITY & AUDIT

Audit & Risk Management Committee (ARMC)

The Audit & Risk Management Committee assists the Board in fulfilling its audit and risk governance and oversight responsibilities over the activities of the Group. Dato' Wan Kamaruzaman Wan Ahmad chairs the ARMC (further details of his profile can be found on page 164), where he is supported by three other members who are suitably qualified, in line with the requirements of paragraph 15.09 of the Main Market Listing Requirements (MMLR).

For the financial year ended 31 December 2022, the Board agreed that the ARMC has continued to support the Board in reviewing both financial and audit matters and contributed to the overall effectiveness of the Board's decision-making process. The Board is satisfied that the ARMC has discharged its functions, duties, and responsibilities in accordance with the ARMC's Terms of Reference. Further details on the structure and activities of the ARMC are disclosed in the Audit & Risk Management Committee Report on pages 218 - 221.

Financial Reporting

The Board is committed to providing a fair, objective, and meaningful assessment of the financial position and prospects of the Group in all its reports. The Statement by Directors in respect of the preparation of the annual audited financial statements is set out on page 9 of the 2022 Financial Report.

All financial results and financial statements are reviewed by the ARMC prior to being recommended to the Board for approval.

The ARMC meets regularly with the external auditors to discuss and review any audit findings that are highlighted by the external auditor for the Committee's attention. The ARMC further relies on the written assurance from the external auditors confirming their continued objectivity and independence throughout the audit engagement, in accordance with the terms of all applicable professional and regulatory requirements.

Risk Management and Internal Control

The Board has delegated primary responsibility for the operation of the Group's risk management and internal control framework, which includes corporate, financial and operational risk, to the ARMC and Management. A clear process is in place to identify, assess, respond, monitor, and report significant risks that may affect the achievement of the Group's business objectives. Further details on the features of the Group's risk management and internal control framework, the adequacy and effectiveness of said framework, and the role of the Corporate Governance and Risk Management (CGRM) Department are disclosed in the Statement on Risk Management & Internal Control on pages 207 - 217.

The Group has an internal audit function performed by the Group Internal Audit Department, which reports functionally to the ARMC and administratively to the Group Managing Director, to ensure impartiality and independence in executing their duties. The ARMC also holds sole approval authority over the appointment, renewal, or removal of the Head of Internal Audit, further ensuring the Group Internal Audit Department's ability to carry out its function without fear or favour. The principal role of the Group Internal Audit Department is to undertake audits and reviews to evaluate the effectiveness of internal controls, governance, and risk management processes to provide an independent and objective assurance to the Board and Management on the adequacy and integrity of the Group's internal control systems.

As the Board is ultimately responsible for the oversight of the Company, it is consistently kept informed by the ARMC of its activities. In this regard, the ARMC meeting is always held before a Board meeting to ensure that all critical issues, significant findings, and irregularities are communicated to the Board on a timely basis. Further information on the internal audit function is disclosed in the Audit & Risk Management Committee Report on pages 218 - 221.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Ongoing engagement and communication with stakeholders are vital in fostering a healthy relationship between the Company and its stakeholders.

In recognising this, the Board ensures that there is effective, transparent, and regular communication with its stakeholders. Communication is achieved through various means, such as press conferences, press releases, publication of information on the Company's website and social media, and engagement forums and meetings. A table detailing how we engage and address the concerns of various stakeholders can be found on pages 46 - 55 of this Integrated Annual Report.

CORPORATE INTEGRITY & ETHICS

Corporate Liability

The Corporate Liability provisions within Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 criminalises an organisation for corruption-related actions undertaken by associated persons for the benefit of the organisation. We are committed to conducting our business dealings with integrity and have adopted a zero-tolerance approach to all forms of bribery and corruption. The Group's Anti-Bribery and Corruption Policy (ABC Policy) has been developed to comply with the stringent standards and requirements specified within MRCB's Anti-Bribery Management System (ABMS), which is now in its 4th year of ISO 37001:2016 certification by an international certification body. The policy is reviewed and updated periodically.

The Board remains confident that our ABMS, supported by clear internal communications and training programmes, as well as external stakeholder communications initiatives, will sufficiently protect the Company and its stakeholders. However, given the ever-changing risk landscape facing our operations, we remain committed to continuously reviewing and strengthening our internal procedures to ensure continued compliance.



Further information on our ABC Policy can be viewed at www.mrcb.com.my/corporate-governance.html.

Trading on Insider Information

The Capital Markets and Services Act 2007 (CMSA) and the Main Market Listing Requirements (MMLR) of Bursa Malaysia prohibit dealings of securities by persons, whether directly or indirectly, on the basis of material non-public information about a company, as well as the disclosure of such information to others who then trade in the company's securities.

The Company Secretary issues a Notice of Closed Period to Directors and Senior Management on a quarterly basis, highlighting the requirements with regards to dealing in the Company's shares during the "Closed Period" / "Outside Closed Period" as they may be in possession of price-sensitive information relating to MRCB.

During the year under review, neither the Board nor the Principal Officers of the Company conducted any trading activity within the closed period.

Integrity of Information

The Board is committed to providing a fair, objective, and meaningful assessment of the financial position and prospects of the Group in the quarterly financial results, annual financial statements, integrated annual reports and all other reports or statements to shareholders, investors, regulatory authorities, and other stakeholders.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT**INVESTOR RELATIONS (IR)**

In supporting our strategy for long-term growth and sustainability, MRCB strives to continuously cultivate a strong relationship with its shareholders and investors. Accessibility in an ever-changing investment climate is also important, particularly during periods of uncertainty. In recognising this, we ensure that we respond to daily queries from investors and analysts through our dedicated IR team, corporate website at www.mrcb.com.my and our IR App. Our corporate website and IR App contain the Group's Integrated Annual Reports, financial results, press releases, quarterly results presentations, ESG Brief and disclosures to Bursa Securities, and are updated when required in a comprehensive and timely manner.

Channels of Communication

Our one-on-one and group meetings were conducted using various virtual meeting platforms and became the main avenue for MRCB to directly engage with institutional investors, investment analysts and brokers in 2022. In line with the timely release of MRCB's quarterly results announcements, we also continued to conduct our Quarterly Results Analysts' Briefings virtually, to ease participation and to ensure that all covering analysts could proactively participate during the presentation and question and answer sessions. The IR team also ensures that the Quarterly Results Analysts' Briefing presentations are uploaded on the Company's website on the same day, to ensure that all shareholders have access to the same information immediately. With the transition into the endemic phase, MRCB conducted a controlled site visit to the newly completed EPF Headquarters and our Kwasa Sentral property development site, as well as some physical engagements with investors. Press conferences were also conducted in 2022 and were managed by the Corporate Communications Department. A list of media-related events can be found on page 54.

MRCB is a corporate member of the Malaysian Investor Relations Association (MIRA) and Minority Shareholders Watch Group (MSWG). These memberships enable MRCB to ensure high standards and best practices of IR are maintained. Senior Management also maintains communications with MSWG to remain abreast of the latest developments on minority shareholders' rights protection and to be accessible to answer any questions.

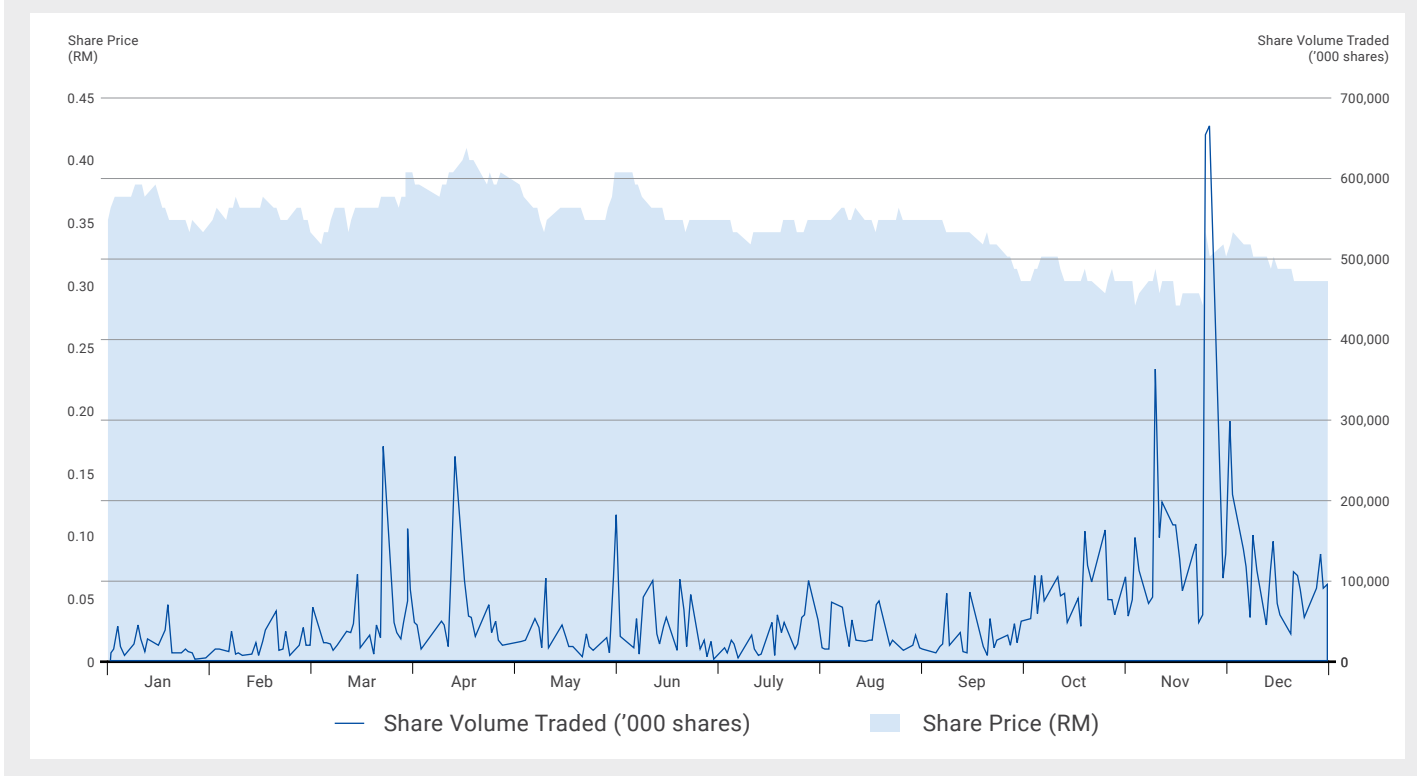
Key IR Activities in 2022**INVESTMENT
PROFESSIONALS
MET****58****RESEARCH
ANALYSTS
COVERING MRCB****8****INVESTMENT
CONFERENCES /
CORPORATE DAYS****1****QUARTERLY
ANALYSTS'
BRIEFINGS****4****MEETING
SESSIONS****17****SITE
VISITS****1****Target Price Forecasts (RM) by Analysts in 2022**

Research House	Target Price (RM)			
	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Affin Hwang	0.35	0.35	0.35	0.35
CGS-CIMB	0.39	0.37	0.34	0.35
HLIB	0.46	0.44	0.37	0.37
KAF	0.40	0.39	0.35	0.36
Kenanga	0.38	0.34	0.34	0.34
MIDF	0.44	0.44	0.44	0.40
RHB	0.44	0.43	0.45	0.45
UOB Kay Hian	0.37	0.37	0.37	0.37

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

MRCB SHARE PRICE MOVEMENT AND VOLUME TRADED CHART



Dividend Policy

The Company has established a Dividend Policy whereby shareholders can expect a dividend payout amounting to at least 20% of core net profits. For the financial year ended 31 December 2022, the Company is proposing a first and final single-tier dividend of one sen per ordinary share.

Feedback

As part of our efforts to increase transparency, we encourage shareholders and investors to forward their questions and comments to the Company using the various modes of communication listed on the "Contact Us" page on the Company's website. Shareholders and members of the public may also contact the Senior Independent Director of the Company, Dato' Wan Kamaruzaman Wan Ahmad, to convey their concerns or questions. He may be contacted via email at: wkwa@mrcb.com.

Conduct of General Meetings

The Annual General Meeting is a principal forum through which the Board communicates with shareholders on the Group's progress and performance, and where the Board clarifies issues pertaining to the Group's business strategy, activities, performance, and other related matters.

Shareholders are encouraged to participate in the meeting and are given the opportunity to ask questions and state their views. Where appropriate, the Chairman of the Board may provide a written response to any significant question that cannot be readily answered during the Annual General Meeting.

Where there is special business or where special resolutions are proposed, the explanation of the effects of such special business or special resolutions is provided in the notice of the Annual General Meeting. Notice for a General Meeting is given to the shareholders at least 28 days prior to the meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

As required under Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR), all resolutions are put to vote by poll. The Company aims to leverage on technology solutions that enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at General Meetings.

MRCB conducted its 51st Annual General Meeting (AGM) in a virtual manner on 2 June 2022 from our offices in Kuala Lumpur Sentral. The decision to organise a virtual AGM allowed the Company to continue to meet our obligations to our shareholders, in line with the updated SC Guidance Note on the Conduct of General Meetings for Listed Issuers as issued on 7 April 2022. The session utilised a virtual meeting solution that facilitated remote shareholders' participation, along with a secure and encrypted e-polling solution that allowed voting in absentia.

All stakeholders were afforded the opportunity to submit their questions in advance of the AGM via a range of channels, including email, telephone, or the virtual meeting system. Advance submissions included five detailed queries from the Minority Shareholders Watch Group (MSWG). Further questions were also accepted during the AGM via the virtual meeting system, with a panel of moderators working to direct queries to the appropriate respondent, group similar queries together for ease of response, and to provide additional context where necessary. A total of 82 questions were received in this manner across a range of financial, non-financial, strategic, and administrative topics.

All questions were categorised and projected on-screen during the AGM for the immediate benefit of all meeting participants. The Chairman facilitated the discussion to ensure meaningful and interactive engagement between the Board, Senior Management team, shareholders, and other stakeholders. All questions raised were afforded due attention and received meaningful responses from the appropriate respondents directly within the session. The Chairman further ensured that the Q&A session was only closed after all queries had been satisfactorily addressed. A Q&A document that lists each individual question received on an "as-is basis" with no filters or modifications, save for minor contextual or grammatical edits where appropriate, along with the respective answers, was published on our corporate website within five business days of the AGM on 10 June 2022. The minutes of the AGM were similarly published 29 business days later – on 15 July 2022. Both documents can be accessed at www.mrcb.com.my/investor-relations/shareholder.html.

Although we are transitioning to COVID-19 endemicity, the Board is encouraged by the greater flexibility and accessibility to shareholders that virtual General Meetings afford and is satisfied with the improving technical solutions and administrative procedures for conducting virtual General Meetings. The Board is therefore prepared to maintain the same approach for all future General Meetings, if necessary.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is fully committed to complying with the requirements of the Malaysian Code on Corporate Governance 2021 (MCCG 2021) and will continue to pursue efforts to address the remaining departures.

Though we continue to make strides in our corporate governance journey, the Board recognises that our governance practices will only be as strong as the people entrusted with appreciating and implementing them. As such, continued development of our people is critical to extract best value from our governance policies, processes, and structures.

Our key focus for the future will therefore continue to remain on fostering a culture of integrity and responsibility within our diverse workforce. The Board views this as the core element in our ongoing journey to become a leading organisation that is Setting the Standard in terms of value creation for all our stakeholders.

This Corporate Governance Overview Statement was approved by the Board of Directors at its meeting held on 20 February 2023.