

# Corporate Governance Overview Statement

**DEAR  
SHAREHOLDERS,**  
As the Chairman of  
MRCB, it is my pleasure  
to present to you  
this year's 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



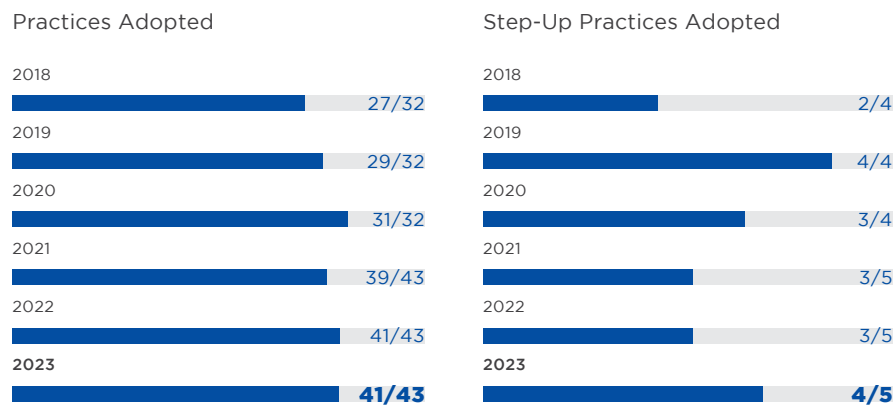
Our unwavering commitment to the highest standards of corporate governance serves as the cornerstone of MRCB's vision of sustainable business performance, in line with our core values of being accountable, customer-centric, courageous, creative, and driven. Our adoption of the UN Sustainable Development 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 integrated within the Group's policies and procedures, with a focus on inculcating the best practices in governance, ethics, accountability, integrity, and transparency within our diverse workforce.

**Dato' Mohamad Nasir AB Latif**

*Non-Independent Non-Executive Chairman*

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 4 out of the 5 optional Step-Up Practices that aim to raise the bar well beyond existing regulatory requirements. The Group's Corporate Governance Report (CG Report), which can be viewed at [www.mrcb.com.my/corporate-governance.html](http://www.mrcb.com.my/corporate-governance.html), details the application or departure of each MCCG 2021 Practice.

### MRCB's Compliance with MCCG Over the Years



MRCB recognises that sustaining a robust quality, environment, safety, and health management framework is essential to our value creation journey and a fundamental driver of our long-term business growth. In line with our commitment to sound corporate governance, we have established a Quality, Environment, Safety, and Health (QESH) policy to serve as our foundation in QESH management through the adoption of best practices and international ISO standard requirements, namely, ISO 9001:2015 (Quality), ISO 14001:2015 (Environmental), and ISO 45001:2018 (Occupational Health & Safety). This enables the Group to provide customers with high-quality, reliable, safe, and environmentally friendly products and services. In 2023, MRCB successfully obtained certification of ISO 14001:2015 (Environmental) and ISO 45001:2018 (Occupational Health & Safety) and re-certification of ISO 9001:2015 (Quality) for Transmission Technology Sdn Bhd (TTSB). All three (3) management systems were re-certified for MRCB Builders Sdn Bhd (MBSB), while ISO 9001:2015 (Quality) re-certification and surveillance audits

were completed for Semasa Parking Sdn Bhd (SPSB) and MRCB Environmental Services Sdn Bhd (MESSB) respectively - underscoring our commitment to quality, environment, safety, and health in our business.

The continued implementation of MRCB's Anti-Bribery Management System (ABMS), which is now in its 5<sup>th</sup> year of ISO 37001:2016 certification by an international certification body, serves to assure our stakeholders of our continued compliance with all applicable laws, regulations, and operational policies and procedures in effectively addressing bribery and corruption. In 2023, we have undertaken various ABMS-related initiatives to continue to communicate internally and externally the Group's strong stance against all forms of bribery and corruption and equip all employees, through upskilling, with the necessary tools and knowledge to identify, prevent, and respond to bribery risks.



*For a full list of all the initiatives undertaken in 2023, please refer to page 263*

We are committed to continuously strengthening our governance practices to ensure continued adherence to guiding principles and achieving best practices. The accolades and high rankings we achieved during the reviewed year are a testament to our dedication to governance, integrity, and transparency in corporate reporting.

## EXTERNAL RECOGNITION OF MRCB'S CORPORATE GOVERNANCE ECOSYSTEM

### GOLD AWARD

for MRCB's Integrated Annual Report 2021

at the Australasian Reporting Awards 2023

### RECEIVED OUTSTANDING OVERSEAS PROJECT AWARD

for the 1060 Carnegie development

at The Edge Malaysia Property Excellence Award 2023

### GOLD AWARD

for Governance, Reporting & Transparency in the large corporation category

at the ESG Positive Impact Awards 2022, arranged by The Star and backed by organisations like EY and the Malaysian Institute of Corporate Governance

### RECEIVED PARTNERSHIP FOR THE GOALS RECOGNITION AWARD

for our PEKA@MRCB Programme

at the UN Global Compact Network Malaysia & Brunei's (UNGCMYB) Sustainability Celebration Night 2023

### RANKED 4<sup>TH</sup> PLACE

at the Top-of-the-Chart Award

at the Star Malaysia Developer Awards

### CONSTITUENT OF THE FTSE4GOOD BURSA MALAYSIA INDEX

since 2014

increasing our overall Index score to 3.6 in 2023 (from 3.2 in 2022) and our score in the climate change segment of the assessment to 4.0

### SILVER AWARD

for the Most Consistent Performer Over Five Years

at The Edge ESG Awards 2023

### UPGRADED MRCB'S MSCI ESG RATING

from 'BBB' to 'A'



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

## CORPORATE GOVERNANCE PHILOSOPHY

MRCB remains steadfast in its resolve to uphold the highest standards of governance, integrity, and ethics in the conduct of its business operations. The Board adopts a structured approach using purposeful and systematic processes, advocating value-creating governance that aligns with our core values as a Group.

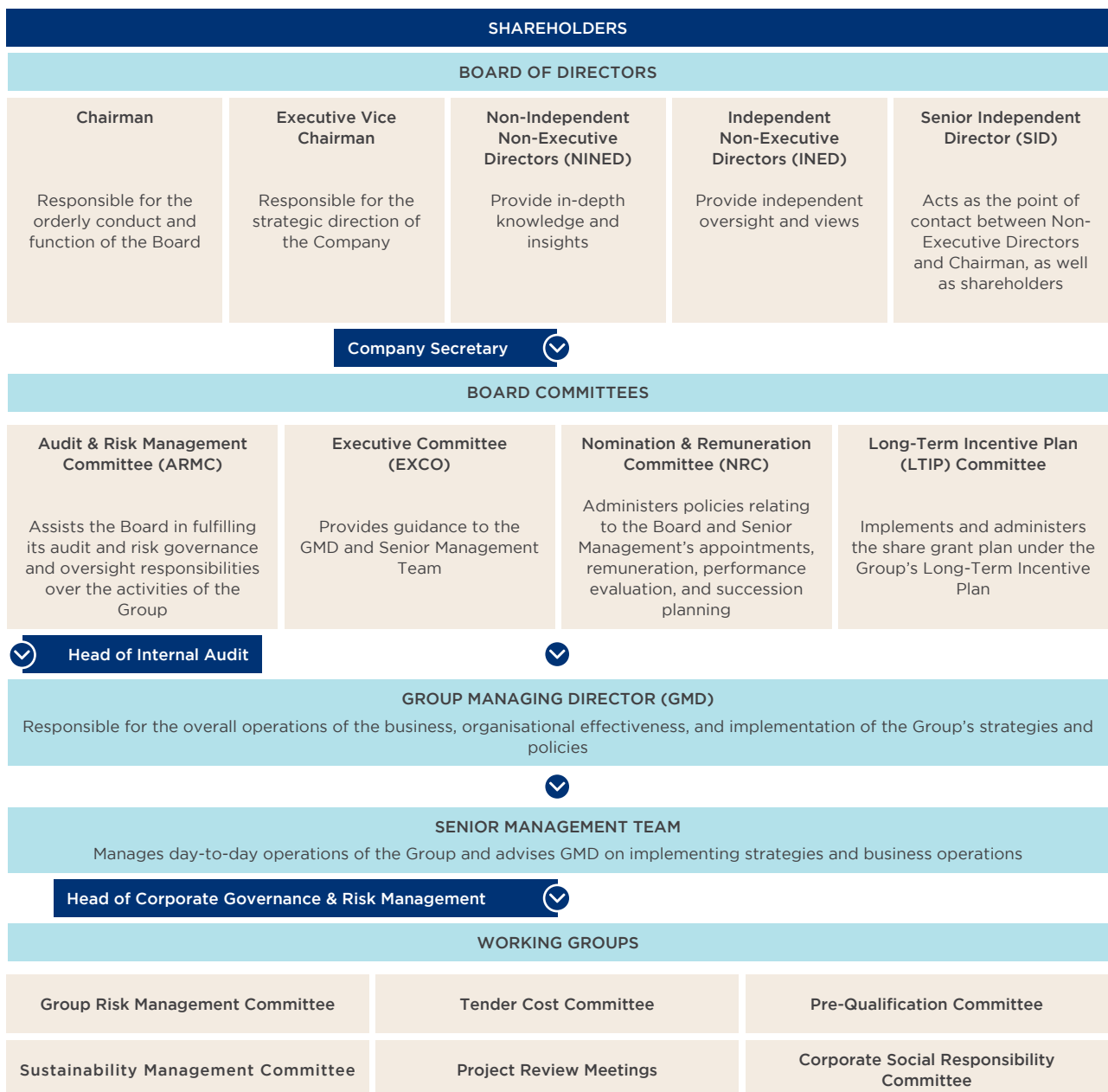
Led by our Vision, '*Setting the Standard*', we strive to conduct our operations in a sustainable manner that is environmentally and socially responsible while delivering on our financial objectives. This is accomplished by incorporating robust governance practices and globally recognised sustainable business standards. All these practices are periodically reviewed, mindful of the ever-changing operating and regulatory landscape, to ensure that we continue to act in the best interest of all our stakeholders.

We maximise value by assiduously delivering on our purpose and ensuring the relevance and sustainability of our business model. Accordingly, our commitment to sustainability is reflected in the way we do our business. We instil sustainability into our operations to create value by providing property and infrastructure development solutions that seek 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 the establishment of a strong and effective system of corporate governance 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 shows MRCB’s governance structure and provides an overview of the key Committees of the Board and various Management Working Groups that provide governance oversight:



## CORPORATE GOVERNANCE PRACTICES

In this Statement, we provide an overview of the approach 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 the Malaysian Code on Corporate Governance (MCCG) 2021, in addition to being benchmarked against the ASEAN Corporate Governance Scorecard and other applicable laws, regulations, and guidelines.

This Corporate Governance Overview Statement should be read in conjunction with the Corporate Governance Report (CG Report), prepared based on a prescribed format as stipulated in Paragraph 15.25(2) of the MMLR, to substantiate the Group's implementation of and departures from the MCCG 2021 Practices. The Group has successfully adopted 41 out of the 43 Practices in the MCCG 2021 and 4 out of the 5 optional Step-Up Practices. Explanations for the departed Practices are supplemented with descriptions of the measures the Company intends to adopt and the timeframe required to achieve the application of the Practices. The three (3) departures are outlined below:

Practice	Practice	Step-Up Practice
<p><b>5.2</b></p> <p><b>For Large Companies, the Board comprises a majority of independent Directors.</b></p> <p>The Board presently consists of seven (7) members, of which three (3) or 42.9% are Independent Directors.</p> <p>The Company, however, complies with Paragraph 15.02(1) of the MMLR, which states that at least two (2) directors or one-third (1/3) of the Board members of a listed issuer are independent directors.</p> <p>Although there is no majority of Independent Directors on the Board, its decisions are made objectively in the best interest of the Company, considering the diverse perspectives and insights of its members. Generally, the decisions of the Board are made unanimously.</p> <p>The Board is looking for appropriate candidates who can enhance the diversity, skillsets, and quality of the Board to maximise the effectiveness of the Board.</p>	<p><b>5.9</b></p> <p><b>The Board comprises at least 30% women Directors.</b></p> <p>We currently have two (2) women Directors: Dato' Dr Junaidah Kamarruddin and Ms Lim Fen Nee, who together account for 28.5% of the Board members.</p> <p>The Board is looking for appropriate candidates who can enhance the diversity, skillsets, and quality of the Board.</p>	<p><b>8.3</b></p> <p><b>Companies fully disclose the detailed remuneration of each member of senior management on a named basis.</b></p> <p>The top five (5) Senior Management's total remunerations have been disclosed in bands of RM50,000. Their remunerations have been benchmarked against the industry and are aligned with the market, ensuring that they are externally competitive and internally equitable.</p> <p>This disclosure approach strikes a balance between respecting personal privacy rights and providing sufficiently precise data points that facilitate stakeholder scrutiny.</p>

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



**MCCG PRINCIPLE A**  
**Board Leadership & Effectiveness**



Go to pages 219 - 248



**MCCG PRINCIPLE B**  
**Effective Audit & Risk Management**



Go to page 249



**MCCG PRINCIPLE C**  
**Integrity In Corporate Reporting And Meaningful Relationship With Stakeholders**



Go to pages 250 - 254



**MCCG PRINCIPLE A**  
**BOARD LEADERSHIP & EFFECTIVENESS**

**BOARD LEADERSHIP**

MRCB is led by its Board. The Board is collectively responsible for the overall stewardship of the business and all affairs of the Group in the pursuit of fulfilling its objectives, goals, and long-term sustainability on behalf of our shareholders and all other stakeholders.

The Board, therefore, plays a crucial role in ensuring that appropriate governance control systems and parameters are instituted within the Group. This is primarily accomplished through the formulation and implementation 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 and other governance-related policies can be found at [www.mrcb.com.my/corporate-governance.html](http://www.mrcb.com.my/corporate-governance.html)

**BOARD OPERATIONS**

**Board Charter**

The Board operates under the guidance of a Board Charter that sets out the principal roles, functions, responsibilities, and powers of the Board and its various committees, together with a schedule of matters reserved for the Board. The Board established this document 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 necessity to always exercise good judgement and adhere to the highest ethical standards.

The Board Charter is reviewed and updated occasionally, with the last revision being made on 27 November 2023 to align the Audit and Risk Management Committee's (ARMC) Terms of Reference in the Board Charter with the amendments made to Bursa Malaysia's Main Market Listing Requirements (MMLR) in relation to the ARMC's responsibilities

and expanded oversight in relation to conflicts of interest. This document can be viewed at [www.mrcb.com.my/corporate-governance.html](http://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, consistent with the Group's core values. They are expected to always behave and act virtuously to safeguard and enhance the reputation of the Group.

Upon appointment, all Directors of the Group are given a copy of the Directors' Manual, Executive Handbook, and the Code, and are required to confirm their comprehension of the Code. Compliance with the provisions in these documents is deemed 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 outlines the expected standards of conduct and behaviour when



## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

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, and the last revision was made 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](http://www.mrcb.com.my/corporate-governance.html).

### Whistleblowing

The Group's Whistleblowing Policy allows individuals to report potential malpractice or misconduct involving anyone associated with the Company, including members of the Board. The Policy also outlines the process for submitting confidential whistleblowing reports. We have established a proprietary Whistleblowing e-form intended to streamline the reporting format and improve data handling and analysis. All submissions are automatically sent electronically to the Group Managing Director, Head of the Integrity & Discipline Department (IDD), and the Chairman of the Board, as well as the Chairman of the Audit & Risk Management Committee (ARMC), who is also the Senior Independent Director, for their further action.

The policy reinforces the Group's commitment to nurturing a culture of openness, accountability, and transparency, whereby an individual who is aware of potential malpractice or misconduct is encouraged to disclose and report such matters in good faith. It is also designed to safeguard such whistleblowers against any potential reprisal, discrimination, or harassment, regardless of whether they are employees of the Group.

The Whistleblowing Policy has been an effective tool for identifying and addressing instances of misconduct within the Group. During 2023, we received three (3) reports through our whistleblowing channels that have been reviewed, investigated, and actioned accordingly. All whistleblowing cases and investigation results are presented 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](http://www.mrcb.com.my/corporate-governance.html).

### Conflicts of Interest

Directors have a fiduciary duty to always act in the best interest of the Group and an obligation to disclose any conflict of interest or potential conflict of interest in performing their duties. The Directors also have a duty of confidentiality in relation to the Group's information.

When a conflict of interest arises, potentially undermining the impartiality of the Director, they are immediately required to disclose the following to the Audit and Risk Management Committee (ARMC) through the Company Secretary, so that the necessary measures can be taken to manage the conflict:

- any material personal interest they have in a matter which relates to the affairs of the Group; and,
- any other interest (direct or indirect) that they believe is appropriate to disclose in order to avoid any conflict of interest, potential conflict of interest, or the perception of a conflict of interest.

Such disclosures must be made as soon as practicable upon the Director becoming aware of their interest. Details of such disclosures must be recorded in the minutes of the meeting at which the disclosure is made or the next meeting held following the disclosure, as well as in the disclosure form for Directors, Senior Management, and Legal Representatives, available from the Company Secretary. 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 has been in place since 2019 with the goal of ensuring that the nature and extent of any actual, potential, and perceived conflicts of interest, including interests in any competing businesses, are identified and managed effectively. It offers guidance on dealing with such situations as they arise, persist, or may arise within the Group, and the measures to be taken to resolve, eliminate, or mitigate such conflicts to minimise risks of bribery and corruption. 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 to align it to Bursa Malaysia's Main Market Listing Requirements (MMLR) 2023 amendments in relation to conflicts of interest. It can be viewed at [www.mrcb.com.my/corporate-governance.html](http://www.mrcb.com.my/corporate-governance.html).



**MCCG PRINCIPLE A  
BOARD LEADERSHIP & EFFECTIVENESS**

Apart from the Group’s policy, Directors must ensure compliance with any requirements under the law or regulations pertaining to conflict of interest, including but not limited to the Companies Act 2016 and Bursa Malaysia’s Main Market Listing Requirements.

**Sustainability**

MRCB is deeply committed to sustainability, aligning its growth opportunities with social and environmental considerations, in line with the Sustainable Development Goals (SDGs). Climate change is a central focus, with thorough analysis, monitoring, and reporting of associated risks and mitigations. The Group has expanded its sustainability assessment to include emerging issues such as human rights, diversity, equality and inclusion, and assessing the ESG readiness of its supply chain. Notably, it has become an early adopter of the Centralised Sustainability Intelligence (CSI) Platform in collaboration with Bursa Malaysia and the London Stock Exchange, emphasising high-quality sustainability disclosures.

As a signatory of various initiatives, including the UN Global Compact, CEO Action Network, 30% Club Malaysia, and Climate Governance Malaysia, the Group embeds sustainability in its business strategy. The Chief Corporate Officer (CCO) has been designated to strategically manage sustainability. The commitment to Net Zero in Scope 1 and Scope 2 emissions and a 50% reduction in Scope 3 by 2040 is tied to remuneration-linked Key Performance Indicators (KPIs) of the Senior Management, which are cascaded down to the Group’s middle management and employees. The Sustainability Management Committee (SMC) works alongside the Board to integrate climate risks and opportunities into the Group’s operations, implementing strategies, and risk management for sustainable development. This collective approach demonstrates a clear commitment to responsible growth for long-term value creation, underlining the organisation’s dedication to a sustainable future.

In 2023, through our tone-from-the-top approach, the following initiatives were conducted:

**Sustainable Supply Chain**

- Initiated awareness of sustainability among suppliers and contractors;
- Collaborated with Bursa Malaysia on sustainability disclosures;
- Addressed challenges in a project-based model with a dynamic supplier base and adapting to a continuously changing supplier and contractor landscape;
- Expanded our measurement and disclosure of Scope 3 emissions; and,
- Collaborated with the UN Global Compact on rolling out an ESG readiness assessment framework for our supply chain.

**Task Force on Climate-Related Financial Disclosure (TCFD)**

- Expanded TCFD-aligned reporting;
- Conducted a quantitative assessment of the Group’s most material climate-related physical risks, including water stress and flooding; and,
- Made plans to conduct a quantitative assessment of the Group’s transition risks in the shift towards a low-carbon economy.

**Diversity, Equity & Inclusion (DEI) Initiatives & Sustainability Upskilling**

- Empowered employees through comprehensive sustainability training and Gender Parity Workshops;
- Advocated for industry-wide change through initiatives like the 30% Club Malaysia; and,
- Appointed Co-Chair of the CEO Action Network Diversity, Equity & Inclusion workstream.



*Details of the Group’s sustainability initiatives and efforts are reflected in Our Approach to Sustainability on pages 120 - 131 of this report*





## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

## ROLES &amp; 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;
- 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 include the following, amongst others:
  - 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 the development and implementation of business plans, major plans of action, and risk management, among others;
  - 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 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 the 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*



MCCG PRINCIPLE A

**BOARD LEADERSHIP & EFFECTIVENESS**

**SEPARATION OF POWER BETWEEN THE BOARD AND MANAGEMENT**

The Board ensures that its Chairman is a non-executive member of the Board, who does not serve on any of the Committees of the Board. This is to safeguard the impartiality of the Chairman and provide a strong check and balance on the Board when deliberating on observations and recommendations put forward by the Committees of the Board.

Furthermore, the Board exercises a clear demarcation of duties and responsibilities between the Chairman, the Executive Vice Chairman, and the Group Managing Director to ensure an appropriate balance of power and authority within the Board. The positions are also held by three (3) different individuals. Non-Executive Directors, who are wholly independent of Management and strictly do not engage in any day-to-day management activities of the Company, are relied upon to provide oversight of the Management.

The Board also appoints a Senior Independent Director to act as a trusted intermediary between the Non-Executive Directors and the Chairman, as well as the designated point of contact for shareholders and stakeholders to convey any concerns or queries on the affairs of the Company.



**DATO' MOHAMAD  
NASIR AB LATIF**

*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 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 204 of this Integrated Annual Report*



MCCG PRINCIPLE A

**BOARD LEADERSHIP & EFFECTIVENESS**

**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 the 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 and other important stakeholders to aid the Group in the management of its important projects.



*For more information on the Executive Vice Chairman's profile, please refer to page 205 of this Integrated Annual Report*



MCCG PRINCIPLE A

**BOARD LEADERSHIP & EFFECTIVENESS**



**DATUK 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 there is 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 other 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 fulfils 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 improvements 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 206 of this Integrated Annual Report*



MCCG PRINCIPLE A

BOARD LEADERSHIP &amp; EFFECTIVENESS



**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)

- Acting as a sounding board for the Chairman and Group Managing Director on Board matters;
- Being 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;
- Serving as the principal conduit between the Independent Directors and the Chairman on sensitive issues;
- Being the focal point for Board members for any concerns regarding the Chairman or the relationship between the Chairman and the Group Managing Director; and,
- Acting 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](mailto: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 208 of this Integrated Annual Report*

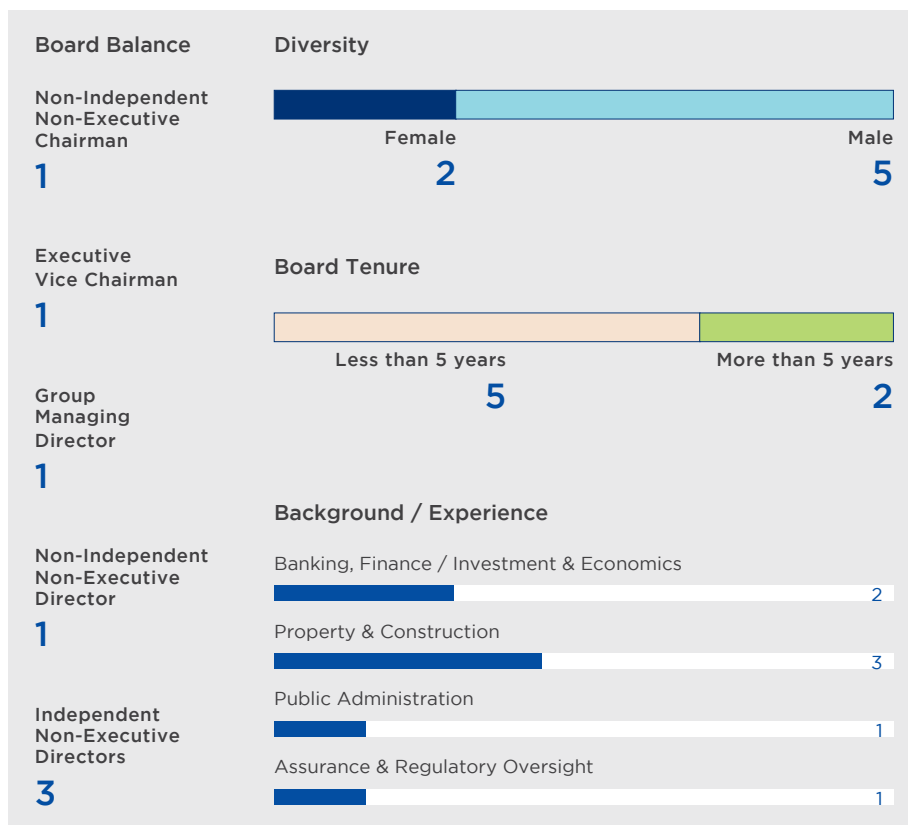


**MCCG PRINCIPLE A  
BOARD LEADERSHIP & EFFECTIVENESS**

**BOARD DIVERSITY & COMPOSITION**

The composition of a Board remains a key factor in shaping the way a Board functions and the dynamics between its members. Diversity allows the Board to capitalise on the differences in background, industry experience, knowledge, and skills to collectively provide oversight and help the Group retain its competitive advantage. An effective Board should be composed of members with a suitable mix of skills, knowledge, experiences, and perspectives that fit the Company’s purpose, objectives, and strategic goals. This fosters an environment conducive to constructive dialogue and enables the Board to be cognisant to the demands of a wide range of stakeholder interests.

MRCB’s Board is composed of a strong seven-member team that possesses a diverse set of skills, experiences, and expertise to better guide and navigate the Group. Notably, three (3) 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, Datuk 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 effectively and competently, with adequate diversity and inclusion being present in terms of board balance, board tenure, gender, age, and related experience.



**Directors’ Key Capabilities**





## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

**BOARD INDEPENDENCE**

All Directors, regardless of their independent status, are required to always act in the best interests of MRCB and 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 any new interests that materialise and are brought to its attention. The Nomination & Remuneration Committee (NRC), chaired by the Senior Independent Director, takes responsibility for such assessments, as well as the identification and recommendation to the Board of new suitable Board candidates.

To date, all our Independent Directors meet the following criteria:

- a) Independent from Management and free from any business or other relationship which could compromise their independent judgement, objectivity, or the ability to act in the Company's best interest.
- b) Not involved in the Company's day-to-day operations except 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 potential 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 (5) 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 (9) years, as 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.

After the changes to the Board at the end of 2023, the Independent Directors form a minority with three (3) members on the current seven-member Board. The Board is keen to restore its previous majority independent Board position to provide the necessary checks and balances to the Board's deliberations and informed decision-making process.

**BOARD MEETINGS & ATTENDANCE**

The Board convenes regular meetings, not less than four (4) times a year. All Board meetings are pre-scheduled before the start of the financial year to grant Directors ample time to plan and incorporate the meeting dates into their respective schedules, and to ensure total attendance at meetings. Scheduled Board meetings are typically held immediately following the 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 evaluated and deliberated, 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 convenes 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.



## MCCG PRINCIPLE A

**BOARD LEADERSHIP & EFFECTIVENESS**

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 provided with a convenient alternative to join meetings remotely via video conferencing solutions. Moreover, Directors may also express their views and opinions to the other Directors and the Company Secretary via secured collaborative software. In all cases, Directors are expected to attend to Board matters personally and must not appoint another person to participate on their 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 specify the time expected to be spent on such new appointments. In any given circumstances, Directors are limited to holding not more than five (5) directorships in listed issuers, in accordance with Bursa Malaysia's Main Market Listing Requirements (MMLR).

Throughout the financial year, all Directors participated fully in Board meetings, engaging in active discussions and freely expressing their opinions, views, and concerns on various matters. The Directors' total commitment towards their duties and responsibilities was evident from their consistent attendance at Board meetings held during the financial year. All Directors surpassed the minimum attendance requirement of at least 50% of the Board meetings pursuant to Paragraph 15.05(3)(c) of Bursa Malaysia's MMLR.

**Schedule of Meetings in 2023**

Meeting	Q1	Q2	Q3	Q4
Annual General Meeting / Extraordinary General Meeting	-	7 June	-	24 October
Executive Committee	30 January 24 March	17 April 20 June	22 July 21 September	5 December
Audit & Risk Management Committee	17 February 23 March	26 May	25 July 29 August	23 November
Nomination & Remuneration Committee	23 March	13 April	21 September	-
Long-Term Incentive Plan Committee	-	-	-	-
Board of Directors	4 February 20 February 27 March	17 April 29 May	25 July 30 August	3 October 27 November
Strategy Meeting	4 February	-	-	18 December





MCCG PRINCIPLE A

BOARD LEADERSHIP &amp; EFFECTIVENESS

## Directors' Attendance at Meetings in 2023

Board Member	Attendance					
	Board	Committees				AGM & EGM
		EXCO	ARMC	NRC	LTIP	
<b>Non-Independent Non-Executive Chairman</b>						
1. Datuk Seri Amir Hamzah Azizan <sup>1</sup>	9/9	-	-	-	-	2/2
<b>Executive Vice Chairman</b>						
2. Tan Sri Mohamad Salim Fateh Din	9/9	-	-	-	-	2/2
<b>Group Managing Director</b>						
3. Datuk Imran Salim	9/9	7/7	-	-	-	2/2
<b>Non-Independent Non-Executive Directors</b>						
4. Dato' Mohamad Nasir Ab Latif <sup>2</sup>	9/9	7/7	-	-	-	2/2
5. Mohamad Hafiz Kassim <sup>3</sup>	9/9	4/4	2/2	3/3	-	2/2
<b>Independent Directors</b>						
6. Dato' Wan Kamaruzaman Wan Ahmad	9/9	7/7	6/6	3/3	-	2/2
7. Dato' Dr Junaidah Kamarruddin	9/9	-	6/6	3/3	-	2/2
8. Lim Fen Nee	9/9	-	6/6	-	-	2/2
<b>Overall attendance</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>100%</b>

## Notes:

<sup>1.</sup> On 12 December 2023, Datuk Seri Amir Hamzah Azizan resigned as Non-Independent Non-Executive Chairman

<sup>2.</sup> On 14 December 2023, Dato' Mohamad Nasir Ab Latif was redesignated as Acting Non-Independent Non-Executive Chairman

<sup>3.</sup> On 2 May 2023, Mohamad Hafiz Kassim resigned as a member of the Audit and Risk Management Committee (ARMC) and was appointed as a member of the Executive Committee (EXCO)



**MCCG PRINCIPLE A**

**BOARD LEADERSHIP & EFFECTIVENESS**

**HIGHLIGHTS OF BOARD ACTIVITIES IN 2023**

**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
- Compliance with Bursa Malaysia’s Enhanced Conflict of Interest Requirements
- Updates to MRCB’s Board Charter, Directors’ Fit and Proper Policy, Whistleblowing Policy, and Conflict of Interest Policy
- Anti-Bribery Management System (ABMS) updates, including whistleblowing and gift register reviews
- Employee and supply chain Anti-Bribery and Corruption (ABC) training and communication updates
- IT and Cybersecurity updates
- Quarterly Health & Safety data updates

**Sustainability**

- Progress on Scope 1 and Scope 2 emissions reductions, science-based targets and expanding collection and disclosure of Scope 3 emissions
- Climate Risks and Opportunities, and expanding Task Force on Climate-Related Financial Disclosures (TCFD) aligned disclosures and a quantitative assessment on climate-related physical risks to the Group’s most material assets
- Sustainable procurement strategies and managing Scope 3 emissions disclosure
- External communications and Stakeholder engagement on ESG
- Supply chain ESG readiness assessments
- Improving the Group’s FTSE4Good Index scoring through better disclosures in our environment pillar
- Compliance with EPF’s Sustainable Investment Policy
- Sustainability Training and Upskilling
- Diversity, Equity, and Inclusion (DEI) training and development
- Compliance with Bursa Malaysia’s Enhanced Sustainability Disclosure Requirements
- Memorandum of Co-Operation with Bursa Malaysia to be an early adopter of its Centralised Sustainability Intelligence (CSI) platform

**Financial**

- Annual business plan and budget
- Annual Audited Financial Statements
- Quarterly financial results
- Annual dividend for FY2022
- Deliberation on acquisitions, disposals, and tender proposals
- Cost Reduction initiatives
- Sukuk issuance
- Sustainable Finance
- Related Party Transactions (RPT) Corporate Exercises

**People & Culture**

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



MCCG PRINCIPLE A

BOARD LEADERSHIP &amp; EFFECTIVENESS

## BOARD ACCESS TO INFORMATION

The quality of information provided to the Board is crucial for sound decision-making. In the course of discharging their duties, all Directors are provided with the following:

- a) Full and unfettered access to timely and accurate information. The notice, agenda, and a complete set of Board papers are typically distributed to the Directors via a secured collaborative digital platform at least five (5) business days prior to each Board or Committee meeting. In addition to easing the dissemination 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 request and obtain further information on the matters to be discussed in order to be adequately 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 initiate or direct any investigation and may retain, at the Company's expense, any legal, accounting, or other services that it deems 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 all 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 Main Market Listing Requirements.



## MCCG PRINCIPLE A

**BOARD LEADERSHIP & EFFECTIVENESS**

The Company Secretary keeps 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	Date	Organiser
1.	MAICSA Annual Conference 2023	4 & 5 October	Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
2.	Provision of Financial Assistance and RPT	16 & 17 October	MRCB / CKM Advisory Sdn Bhd
3.	Developing an Integrated Health, Environment, and Climate Strategy for your Company	13 December	UN Global Compact
4.	Taking Collective Action for Anti-Corruption	13 December	UN Global Compact

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

**DIRECTORS' INDEMNITY**

We continued 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.



## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

## 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. Throughout the year under review, the following four (4) Board Committees have been in operation:

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, including reviewing and reporting to the Board, any conflict of interest situation that arose, persists, or may arise together with the measures taken to resolve, eliminate, or mitigate such conflicts
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 Committee	Implements and administers the share grant plan under the Group's LTIP

Each Committee is empowered by the Board to address and deliberate on matters delegated to them as defined within the Committee's Terms of Reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings during and the quarterly Board meetings. The confirmed minutes of the Committee meetings are 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 268 - 275 of this Integrated Annual Report.



Further details on the Terms of Reference for the various Board Committees can be found at [www.mrcb.com.my/corporate-governance.html](http://www.mrcb.com.my/corporate-governance.html)

## Powers delegated to Management

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



## MCCG PRINCIPLE A

**BOARD LEADERSHIP & EFFECTIVENESS****Limits of Authority**

In order to ensure the accountability of the Group Managing Director and Senior Management, the Group has implemented Limits of Authority, which governs the limits of transactions that each level of Management can approve or commit the Group to, and specifies transactions that require to be escalated and approved by the Board or Board Committees. Both financial and operational commitments are addressed by the Limits of Authority; 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 are approved by the Board and may be revised as and when required, with the last revision being approved by the Board on 27 March 2023.

**DIRECTORS' TRAINING AND CONTINUING DEVELOPMENT**

Pursuant to 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, with a particular focus on sustainability and technological advancements. Furthermore, the Board is aware of the continuous changes to all applicable statutory and regulatory requirements and is committed to keeping pace with them.

Alongside the Mandatory Accreditation Programme (MAP) required by Bursa Malaysia, the Directors continue to enhance their knowledge and skills through appropriate continuing education programmes, conferences, and seminars. These opportunities enable the Directors to effectively discharge their duties and actively participate in Board deliberations.

The Board evaluates the training needs of the Directors on a regular basis and ensures that Directors have access to continuing education programmes. The training programmes and seminars attended by the Directors throughout 2023 were as follows:

- DATO' MOHAMAD NASIR AB LATIF**

No.	Training / Seminar Attended	Date	Organiser
1.	Can America Stop China's Rise? Will ASEAN be Damaged?	12 January	FIDE Forum - Asia School of Business
2.	Integrity, Governance, and Anti-Corruption Training for Board, Investment Panel, and KWEST Board Members	13 January	Retirement Fund Incorporated (KWAP)
3.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
4.	Anti-Money Laundering and Countering Financing of Terrorism	7 March	RHB Compliance
5.	SRI Taxonomy: Insights and Implementation	10 March	Securities Industry Development Corporation (SIDC)
6.	Synergy Inclusive Transition	14 June	Yinson Holdings Berhad
7.	Sustainability	9 August	Retirement Fund Incorporated (KWAP)
8.	KWAP Sustainability Retreat 2023	1 - 3 September	Retirement Fund Incorporated (KWAP)



## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

No.	Training / Seminar Attended	Date	Organiser
9.	Net Zero Within Financial Institution – Approach & Recommendations on Net Zero Strategy for RHB	5 September	RHB / Ernst & Young (EY)
10.	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP)	19 & 20 September	Bursa Malaysia Berhad / Institute of Corporate Directors Malaysia (ICDM)
11.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia
12.	INSEAD Business Sustainability Programme	30 October – 3 November	INSEAD Business School
13.	Cybersecurity Awareness Training	30 November	Yinson Holdings Berhad

- TAN SRI MOHAMAD SALIM FATEH DIN**

No.	Training / Seminar Attended	Date	Organiser
1.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
2.	World Summit on the Information Society Forum 2023	13 – 17 March	ITU, UNESCO, UNDP, and UNCTAD, in close collaboration with all WSIS Action Line co-/facilitators and other UN organisations
3.	Mandatory Accreditation Programme (MAP)	22 & 23 August	Bursa Malaysia Berhad / Institute of Corporate Directors Malaysia (ICDM)
4.	Ericsson Imagine Live – Accelerating a Digital Malaysia with 5G	25 September	Ericsson Malaysia
5.	Malaysia ICT Summit 2023 – Digital Malaysia, Green Growth	26 & 27 September	Huawei Technologies Malaysia
6.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia

- DATO' WAN KAMARUZAMAN WAN AHMAD**

No.	Training / Seminar Attended	Date	Organiser
1.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
2.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia

- DATUK IMRAN SALIM**

No.	Training / Seminar Attended	Date	Organiser
1.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
2.	Sustainability Series: (Re)Building the Board for Innovation	29 February	Institute of Corporate Directors Malaysia (ICDM)
3.	ICDM & IBM Business Value Webcast	27 June	Institute of Corporate Directors Malaysia (ICDM)
4.	International Social Wellbeing Conference	6 July	Employees Provident Fund (EPF)



**MCCG PRINCIPLE A**

**BOARD LEADERSHIP & EFFECTIVENESS**

No.	Training / Seminar Attended	Date	Organiser
5.	Sustainability Governance and Reporting	19 September	Minority Shareholders Watch Group (MSWG)
6.	Management of Cyber Risks	23 October	Bursa Malaysia Berhad
7.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia
8.	GLIC Integrity Event	7 November	Permodalan Nasional Berhad (PNB)

• **MOHAMAD HAFIZ KASSIM**

No.	Training / Seminar Attended	Date	Organiser
1.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
2.	Cybersecurity Oversight in the Boardroom	22 June	Institute of Enterprise Risk Practitioners (IERP)
3.	International Social Wellbeing Conference (ISWC) 2023	5 & 6 July	Employees Provident Fund (EPF)
4.	Finance Seminar 2023	31 July & 1 August	Employees Provident Fund (EPF)
5.	Industrial Relations Legal Conference	8 & 9 August	Employees Provident Fund (EPF)
6.	What Amounts to a Conflict of Interest by Directors?	6 October	Asia School of Business
7.	“The Path Towards Greater Prosperity for Malaysia” Symposium	18 October	Employees Provident Fund (EPF)
8.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia
9.	Private Markets Summit	1 & 2 November	Employees Provident Fund (EPF)
10.	Integrity Day with Ministry of Finance and Agencies under the Ministry of Finance	23 November	Employees Provident Fund (EPF)

• **DATO' DR JUNAIDAH KAMARRUDDIN**

No.	Training / Seminar Attended	Date	Organiser
1.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
2.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia
3.	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP)	11 & 12 December	Bursa Malaysia Berhad / Institute of Corporate Directors Malaysia (ICDM)





## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

- LIM FEN NEE

No.	Training / Seminar Attended	Date	Organiser
1.	Can America Stop China's Rise? Will ASEAN be Damaged?	12 January	FIDE Forum – Asia School of Business
2.	2023 Investment Market Outlook Webinar: Parallel Worlds	16 January	HSBC
3.	Malaysia Economic Outlook 2023 and Real Estate Market Outlook	4 February	MRCB / CBRE-WTW
4.	Capability Building Workshop	14 February	Allianz Malaysia Berhad
5.	Ethical Leadership in Digital Era	16 February	Malaysia Institute of Accountants (MIA)
6.	The Role of Accountants in Managing Cybersecurity Risks	23 February	Malaysia Institute of Accountants (MIA)
7.	The Winning Approach to Finance Transformation and The Race for Relevance Technology Opportunities for the Finance Function	1 March	Malaysia Institute of Accountants (MIA)
8.	Digital Signature: Understanding its Principles and Applications	7 March	Malaysia Institute of Accountants (MIA)
9.	Digital Accountant: Digital Skills in a Transformed World	8 March	Malaysia Institute of Accountants (MIA)
10.	MIA AccTech Conference 2023	14 & 15 March	Malaysia Institute of Accountants (MIA)
11.	2023 Investment Market Outlook Webinar: Exploring Sustainability of Asia Performance	22 March	HSBC
12.	Fair Treatment of Financial Consumers	13 April	Allianz Malaysia Berhad
13.	Artificial Intelligence (AI) with a Human Face	24 May	Chartered Accountants Australia and New Zealand (CAANZ)
14.	Advancing Cyber Resilience: Board's Top 3 Must-Knows	25 May	Institute of Corporate Directors Malaysia (ICDM)
15.	MIA International Accountants Conference 2023 – ChatGPT: A Game Changer for Accountancy Profession	13 & 14 June	Malaysia Institute of Accountants (MIA)
16.	Generative AI – An Opportunity or Risk?	20 July	Institute of Corporate Directors Malaysia (ICDM)
17.	Conflict of Interest and Governance of Conflict of Interest	15 August	Bursa Malaysia Berhad
18.	Bursa Advocacy Session for Directors and CEOs	17 August	Bursa Malaysia Berhad
19.	Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP)	4 – 7 September	Bursa Malaysia Berhad / Institute of Corporate Directors Malaysia (ICDM)
20.	The Cooler Earth Summit: Board Session and Accountants Role	12 September	CIMB
21.	Beyond the Ledger: Elevating Accountants as Strategic Decision-Makers	13 September	Association of Chartered Certified Accountants (ACCA) / LeadWomen
22.	Transfer Pricing and E-Invoicing	14 September	Allianz Malaysia Berhad
23.	Directors Guide to Dealing with Opportunity in Risk	14 September	Institute of Enterprise Risk Practitioners (IERP)
24.	ACCA Technical Symposium 2023	21 September	Association of Chartered Certified Accountants (ACCA)



**MCCG PRINCIPLE A**

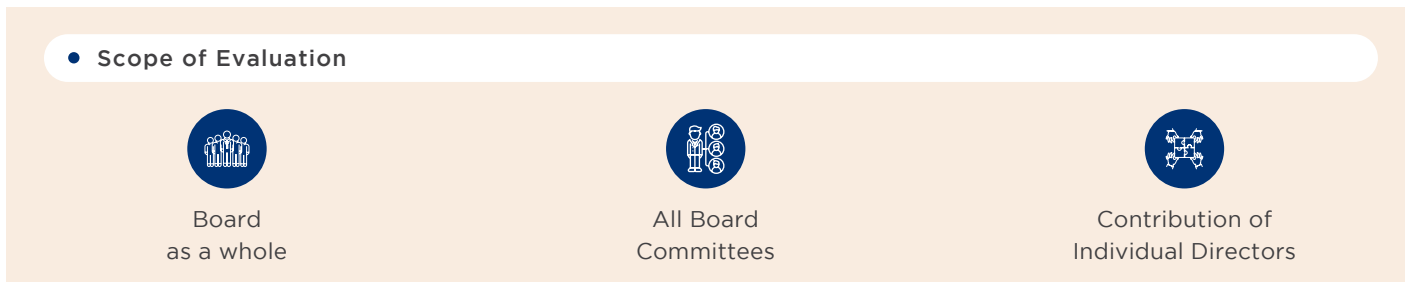
**BOARD LEADERSHIP & EFFECTIVENESS**

No.	Training / Seminar Attended	Date	Organiser
25.	Khazanah Megatrends Forum 2023	2 & 3 October	Khazanah Nasional Berhad
26.	Malaysia Budget 2024	24 October	MRCB / PwC Malaysia
27.	Cloud and Cybersecurity Awareness Training	25 October	Allianz Malaysia Berhad
28.	Ethics Webinar	3 November	Malaysia Institute of Accountants (MIA)

**BOARD EFFECTIVENESS EVALUATION**

The effectiveness of the Board is vital to the success of the Group. Therefore, it is 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 (3) years to support this process to facilitate more rigorous and objective evaluations. An independent consultant was last appointed for the 2022 evaluation, conducted in 2023.

The results of the BEE and the recommendations to improve the Board’s effectiveness are discussed and deliberated at the Nomination & Remuneration Committee (NRC) and Board meetings.



MRCB is cognisant that periodic evaluations present 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.

Deloitte Business Advisory Sdn Bhd (Deloitte) was appointed by MRCB to formulate questionnaires for an internally facilitated evaluation exercise undertaken by the Company Secretarial Department. As part of the evaluation process, the questionnaires were distributed to Board members to assess the effectiveness of the Board, its Committees, and the performance and contribution of each Director for the purpose of identifying areas of strength and improvement considerations which the Board can leverage to improve its performance in pursuit of MRCB’s objectives.

The questionnaires were formulated by taking into consideration the requirements under the Malaysian Code on Corporate Governance (MCCG) 2021 as well as other relevant regulatory governance guidelines, including the Companies Act 2016, Bursa Malaysia’s Main Market Listing Requirements (MMLR), Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries, and Bursa Malaysia’s Corporate Governance Guide, 4<sup>th</sup> Edition. Insights from the ASEAN Corporate Governance Scorecard, the Organisation for Economic Co-Operation and Development (OECD) Corporate Governance Principles 2023, and the Environment, Social, and Governance (ESG) indicators from FTSE4Good were also taken into consideration in formulating the questionnaires.



## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

The questionnaires encompassed nine (9) assessment segments or topics for completion by relevant parties, as set out below:

Assessment Topic	Participant(s)
Board Governance and Oversight	All Board Members
Board Processes and Infrastructure	
Board Capabilities Assessment	
Self and Peer Assessment	
Fit and Proper Assessment	
Independence Assessment	Independent Directors Only
Audit and Risk Management Committee (ARMC) Assessment	Respective Board Committee Members
Nomination and Remuneration Committee (NRC) Assessment	
Executive Committee (EXCO) Assessment	

The criteria assessed within each assessment topic were as follows:

Assessment Topic	Criteria
<b>Board Governance and Oversight</b> <ul style="list-style-type: none"> <li>Evaluates the efficacy, alignment, and collaborative dynamics of the Board of Directors in relation to governance and oversight.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Purpose and Alignment;</li> <li>Board-Management Dynamics; and,</li> <li>Boardroom Activities and Performance Oversight.</li> </ul>
<b>Board Processes and Infrastructure</b> <ul style="list-style-type: none"> <li>Delves into the mechanics of the Board's operations and the underlying infrastructure that governs the Board's activities.</li> </ul>	<ul style="list-style-type: none"> <li>Board Structure;</li> <li>Board Meetings and Stewardship;</li> <li>Board Papers and Information Flow;</li> <li>Board Policies and Procedures;</li> <li>Succession Planning; and,</li> <li>Secretarial Support.</li> </ul>
<b>Board Capabilities Assessment</b> <ul style="list-style-type: none"> <li>Evaluates the technical proficiencies of Directors based on their education and work experience as well as their respective behavioural attributes.</li> </ul>	<ul style="list-style-type: none"> <li>Behavioural Competencies; and,</li> <li>Technical Competencies.</li> </ul>
<b>Self and Peer Assessment</b> <ul style="list-style-type: none"> <li>Facilitates an introspective reflection on each Director's contribution and performance, enabling respective Board members to evaluate their own contribution in relation to their peers.</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors; and,</li> <li>Group Managing Director.</li> </ul>
<b>Fit and Proper Assessment</b> <ul style="list-style-type: none"> <li>Serves to corroborate the Director's qualifications and suitability in fulfilling their fiduciary duties to MRCB. It ensures that there are no adverse issues during the review period and upholds the organisation's standards of professionalism, ethics, and expertise.</li> </ul>	<ul style="list-style-type: none"> <li>Probity;</li> <li>Personal Integrity;</li> <li>Financial Integrity;</li> <li>Experience and Competence; and,</li> <li>Time Commitment.</li> </ul>



MCCG PRINCIPLE A

**BOARD LEADERSHIP & EFFECTIVENESS**

Assessment Topic	Criteria
<p><b>Independence Assessment</b></p> <ul style="list-style-type: none"> <li>Evaluates Independent Directors in their role of bringing objectivity to the Board's oversight function. Their unbiased perspective allows for meaningful debates and effective challenges to Management.</li> </ul>	<ul style="list-style-type: none"> <li>- Background;</li> <li>- Economic Relationship;</li> <li>- Family Relationship;</li> <li>- Tenure; and,</li> <li>- Time Commitment.</li> </ul>
<p><b>Audit and Risk Management Committee (ARMC) Assessment</b></p> <ul style="list-style-type: none"> <li>Ascertain the contributions and areas for potential enhancement of the ARMC.</li> </ul>	
<p><b>Nomination and Remuneration Committee (NRC) Assessment</b></p> <ul style="list-style-type: none"> <li>Ascertain the contributions and areas for potential enhancement of the NRC.</li> </ul>	
<p><b>Executive Committee (EXCO) Assessment</b></p> <ul style="list-style-type: none"> <li>Ascertain the contributions and areas for potential enhancement of the EXCO.</li> </ul>	

Most assessment forms required participants to input ratings on a scale of 1 (Strongly Disagree / Needs Improvement) to 5 (Strongly Agree / Outstanding), while the Fit and Proper Assessment was completed by using binary indicators of “Yes” and “No”. Apart from the aforementioned standard rating indicators, selected assessment criteria, questions, or statements were completed based on the description that best reflects the Directors’ thoughts and actions. Assessment questions or statements which necessitate qualitative or open-ended responses were designed to elicit feedback in a candid and forthcoming manner. These were used to corroborate the findings and form the basis of the identified strengths of and improvement opportunities for the Board, its Committees, and individual Directors.

Upon completion of the questionnaires by Board members in early February 2024, the Company Secretary proceeded with analysing the findings and evaluation results. Overall, the results of the evaluation were positive in which all nine (9) segments received “Exceeds Expectations” scores, with Board Governance and Oversight, Board Processes and Infrastructure, and Board Capabilities scoring particularly well. The Board has taken note of the findings and results and the areas requiring minor improvements, and has undertaken to address these in the appropriate manner.

The findings and evaluation results were reviewed by the NRC on 28 February 2024 and subsequently presented to the Board on 29 February 2024.

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



## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

### Appointment of Directors

Pursuant to Paragraphs 15.01A and 15.08A(3) of Bursa Malaysia's Main Market Listing Requirements (MMLR), MRCB has developed a comprehensive Directors' Fit and Proper Policy that sets out the approach and procedures to ensure a formal, rigorous, and transparent screening process is being adhered for the appointment and re-election of the Directors. The policy can be viewed at [www.mrcb.com.my/corporate-governance.html](http://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 through 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 is solely relied upon, the Nomination & Remuneration Committee (NRC) provides appropriate justification outlining why this was deemed sufficient.

The NRC plays a pivotal role in the screening and selection of high-quality candidates who will be well-suited for the Board. The responsibility to develop and deliberate on the selection criteria based on competencies and attributes necessary for the position lies with the NRC. All nominees are initially vetted by the NRC, taking into consideration:

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

In addition, the NRC also considers each nominee's ability to allocate sufficient time 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 and other organisations. 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 indeed qualified to serve as a Director. The candidates are also required to make the Fit and Proper Declaration. The NRC assesses all the findings and makes recommendations to the Board for its final approval.

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 arranged if required by the incoming Director.



**MCCG PRINCIPLE A**

**BOARD LEADERSHIP & EFFECTIVENESS**

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 or potential conflict of interest, including an interest in a competing business.

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

**Appointment of New Directors or Senior Management**

**Step 1**

- Circumstances giving rise to vacancies

**Step 2**

- Develop selection criteria aligned with the Directors’ Fit and Proper Policy, combining key competencies and attributes that best address the current and future needs of the Group while complementing incumbent skill sets and promoting diversity

**Step 3**

- Commence search for candidates

**Step 4**

- Assess and shortlist potential candidates

**Step 5**

- Deliberate and provide the Board with a recommendation

**Step 6**

- Seek Board approval

**Step 7**

- Conduct orientation / induction programme

**Step 8**

- Continuous Training / Development and Performance Assessment



## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

## 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	Article 102	Article 103	Article 106
One-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM at least once every three (3) years.	The retiring Directors shall be those individuals who have served longest in office since their last appointment or election.	If still eligible and willing, the retiring Directors may be re-elected at an AGM by way of Ordinary Resolution.	Directors appointed as additions 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](http://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 2023 pursuant to Articles 101 and 102

**Datuk Imran Salim**

**Dato' Wan Kamaruzaman Wan Ahmad**

**Dato' Dr Junaidah Kamarruddin**

During the Board meeting held on 27 March 2023, the Board gave its endorsement for all three (3) directors to be considered for re-election at MRCB's 52<sup>nd</sup> AGM.

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

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 was disclosed in detail as follows:

- Articles 101 and 102 of the Company's Constitution, inter alia, provide that at least one-third (1/3) of the Directors of the Company are subject to retirement by rotation at each AGM of the Company. The retiring Directors shall be those individuals who have served the longest in office since their last appointment or election.



## MCCG PRINCIPLE A

**BOARD LEADERSHIP & EFFECTIVENESS**

2) Based on the recommendation of the Nomination & Remuneration Committee, the Board was satisfied with the performance and contributions of the following Directors and supported the re-elections based on the following justifications:

**i. Datuk Imran Salim**

- Datuk Imran Salim has been the Group Managing Director (GMD) of MRCB since 2 July 2018. Due to his experience and knowledge related to the real estate industry, he has the ability to make appropriate decisions that safeguard stakeholders' interests and is familiar with the Group's business operations to steer the Group forward.
- He has contributed tremendously to the Group and carried out his duties professionally and proficiently during his tenure as the GMD.

**ii. Dato' Wan Kamaruzaman Wan Ahmad**

- Dato' Wan Kamaruzaman Wan Ahmad fulfils the requirement of independence set out in the MMLR of Bursa Malaysia as well as the prescribed criteria under MCCG 2021.
- As Chairman of the ARMC, he demonstrated sound leadership in assisting the Board in fulfilling its fiduciary duties and responsibilities on the integrity of the Group's financial reporting and its audit processes. He has also demonstrated sound leadership as the Chairman of the NRC in assisting the Board in overseeing the nomination and remuneration process for the Board and Board Committees, as well as for critical management positions within the Group.
- He has demonstrated his independence through his engagement in the Board and Board Committee meetings by providing constructive feedback to the Management in developing the Group's business strategies. He also exercised due care and carried out his duties professionally and proficiently during his tenure as the Senior Independent Director of the Company.

**iii. Dato' Dr Junaidah Kamarruddin**

- Dato' Dr Junaidah Kamarruddin fulfils the requirement of independence set out in the MMLR of Bursa Malaysia as well as the prescribed criteria under MCCG 2021.
- She has demonstrated her independence through her engagement in the Board and Board Committee meetings and has also exercised due care and carried out her duties professionally and proficiently during her tenure as an Independent Director of the Company.

**Succession Planning**

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

The Group's Policy and Guidelines Statement on Succession Planning for the Board and Senior Management 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](http://www.mrcb.com.my/corporate-governance.html).





MCCG PRINCIPLE A

**BOARD LEADERSHIP & EFFECTIVENESS****REMUNERATION****Directors' Remuneration**

Directors' remuneration is governed by the Group's Remuneration Policy for the Board of Directors and Senior Management. In line with Practice 7.1 of MCCG 2021, the Policy appropriately portrays the different roles and responsibilities of Non-Executive Directors (NED), Executive Directors (ED), and Senior Management. It also outlines the Company's policies in preparing competitive remuneration packages for NEDs, EDs, and Senior Management that are best suited to attract and retain experienced, qualified, and high-calibre key talent capable of driving the business, strategies, objectives, values, and long-term interests of MRCB. The document is reviewed and updated periodically and can be viewed on the Company's website, [www.mrcb.com.my/corporate-governance.html](http://www.mrcb.com.my/corporate-governance.html).

MRCB's remuneration packages are designed to be commensurate with the level of responsibility, accountability, technical skills, and experience required while also incentivising value creation for the Company and its stakeholders.

The Nomination & Remuneration Committee (NRC) conducts a review of the remuneration packages of the NEDs at least once in every three-year period based on industry and market rates and, thereafter, makes a 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.

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



## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

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 2023.

Directors	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits -in-Kind (RM)	Other Emoluments (RM)	Total (RM)
<b>Independent Chairman</b>							
The Late Tan Sri Azlan Mohd Zainol	6,575	10,000	-	-	11,011	-	27,586
<b>Non-Independent Non-Executive Chairman</b>							
Datuk Seri Amir Hamzah Azizan*	187,208	144,935	-	-	-	-	332,143
<b>Executive Vice Chairman</b>							
Tan Sri Mohamad Salim Fateh Din	-	-	1,690,500	560,000	20,542	275,563	2,546,605
<b>Group Managing Director</b>							
Datuk Imran Salim	-	-	1,328,250	412,500	78,158	531,141	2,350,049
<b>Non-Independent Non-Executive Directors</b>							
Dato' Mohamad Nasir Ab Latif	152,446	175,000	-	-	2,144	-	329,590
Mohamad Hafiz Kassim*	150,000	72,000	-	-	-	-	222,000
<b>Independent Directors</b>							
Dato' Wan Kamaruzaman Wan Ahmad	150,000	108,000	-	-	-	-	258,000
Dato' Dr Junaidah Kamarruddin	150,000	72,000	-	-	1,207	-	223,207
Lim Fen Nee	150,000	64,000	-	-	-	-	214,000
<b>Total</b>	<b>946,229</b>	<b>645,935</b>	<b>3,018,750</b>	<b>972,500</b>	<b>113,062</b>	<b>806,704</b>	<b>6,503,180</b>

\* 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

The remuneration of the Senior Management is composed of several components 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 pre-determined Key Performance Indicators are approved by the NRC. Remuneration packages of key Senior Management are reviewed when contracts come up for renewal by the NRC. If applicable, any changes required are subsequently recommended to the Board. It is the responsibility of the Board to collectively assess these changes and, if deemed fair, to approve the remuneration packages.

In compliance with Practice 8.2 of the MCCG 2021, a summary of the top five (5) Senior Management members' remuneration for the financial year ended 31 December 2023 is shown below, which includes basic salary, bonuses, benefits-in-kind, statutory contributions, and other emoluments.



## MCCG PRINCIPLE A

## BOARD LEADERSHIP &amp; EFFECTIVENESS

Senior Management	Salary (RM)	Allowance (RM)	Bonus (RM)	Benefits (RM)	Other Emoluments (RM)	Total (RM)
<b>Group Chief Financial Officer</b>						
Ann Wan Tee	1,300,001 - 1,350,000	50,001 - 100,000	350,001 - 400,000	50,001 - 100,000	350,001 - 400,000	2,150,001 - 2,200,000
<b>Group Chief Operating Officer</b>						
Kwan Joon Hoe	1,250,001 - 1,300,000	50,001 - 100,000	350,001 - 400,000	50,001 - 100,000	300,001 - 350,000	2,100,001 - 2,150,000
<b>Chief Corporate Officer</b>						
Amarjit Singh Chhina	900,001 - 950,000	50,001 - 100,000	250,001 - 300,000	50,001 - 100,000	250,001 - 300,000	1,550,001 - 1,600,000
<b>Executive Vice Presidents</b>						
Dato' Haji Ishak Bin Haji Mohamed	1,050,001 - 1,100,000	50,001 - 100,000	250,001 - 300,000	0 - 50,000	50,001 - 100,000	1,500,001 - 1,550,000
Datuk Dell Akbar Khan Bin Hyder Khan	850,001 - 900,000	50,001 - 100,000	200,001 - 250,000	0 - 50,000	0 - 50,000	1,200,001 - 1,250,000

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

Senior Management	Number of ordinary shares			
	Balance as at 01.01.2023	Acquisition during the year	Disposal during the year	Balance as at 31.12.2023
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




## 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 208), where he is supported by two (2) other suitably qualified independent members, enabling MRCB to successfully comply with the requirements of Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance (MCCG) 2021 and Paragraph 15.09 of the Bursa Malaysia's Main Market Listing Requirements (MMLR).

For the financial year ended 31 December 2023, 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 268 - 271

**Financial Reporting**

The Board is fully 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 regarding the preparation of the annual audited financial statements is set out on page 9 of the 2023 Financial Report.

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


Regular meetings between the ARMC and the external auditors are held to deliberate and review any audit findings highlighted by the external auditor for the Committee's attention. The ARMC further relies on written assurances from the external auditors affirming their continued

objectivity, impartiality, and independence throughout the audit engagement, in accordance with the terms of all pertinent professional and regulatory requirements.

 Further details can be viewed in the Audit & Risk Management Committee Report on pages 268 - 271

**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 the Management. A systematic approach is in place to identify, assess, respond, monitor, and report significant risks that may impact 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 256 - 267

The Group has an internal audit function performed by Group Internal Audit, 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's ability to carry out its function without fear or favour. The principal role of the Group Internal Audit 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 accountable 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 scheduled before a Board meeting to ensure that all critical issues, significant findings, and irregularities can be communicated to the Board on a timely basis.

 Further information on the Group Internal Audit function is disclosed in the Audit & Risk Management Committee Report on pages 268 - 271



## MCCG PRINCIPLE C

## INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Continuous engagement and communication with stakeholders are essential in sustaining 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 to maintain accountability. Our communication efforts take various forms, including 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 37 - 47 of this Integrated Annual Report.

### CORPORATE INTEGRITY & ETHICS

#### Corporate Liability

The Corporate Liability provision 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 established to comply with the stringent standards and requirements specified within MRCB's Anti-Bribery Management System (ABMS), which is now in its 5<sup>th</sup> year of ISO 37001 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 adequately 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 and controls to ensure continued compliance.



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



**MCCG PRINCIPLE C**

**INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

**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.

**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](http://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 Malaysia. These are updated in a comprehensive and timely manner when required.

**Channels of Communication**

In 2023, our one-on-one and group meetings were conducted using various virtual meeting platforms and became the primary avenue for MRCB to engage directly with institutional investors,

investment analysts and brokers. In line with the timely release of MRCB’s quarterly results announcements, we also continued to conduct our Quarterly Results Analysts’ Briefings virtually to facilitate participation and 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. As part of our physical engagements, MRCB organised two (2) visits in 2023. Firstly, to the MRCB booth during the engagement session for the development of the Shah Alam Sports Complex Development Project (KSSA) at the SACC Mall Atrium and secondly, to the LRT3 Depot in Johan Setia in Klang. Press conferences were also conducted in 2023 and were managed by the Corporate Communications Department. A list of media-related events can be found on page 45.

As a corporate member of the Minority Shareholders Watch Group (MSWG), MRCB ensures that its Senior Management maintains regular communications with MSWG to remain abreast of the latest developments on minority shareholders’ rights protection and to be accessible to address any questions.

● **Key IR Activities in 2023**

INVESTMENT PROFESSIONALS MET

**78**

INVESTMENT CONFERENCES / CORPORATE DAYS

**2**

MEETING SESSIONS

**4**

SITE VISITS

**2**

QUARTERLY ANALYSTS’ BRIEFINGS

**4**

RESEARCH ANALYSTS COVERING MRCB

**6**



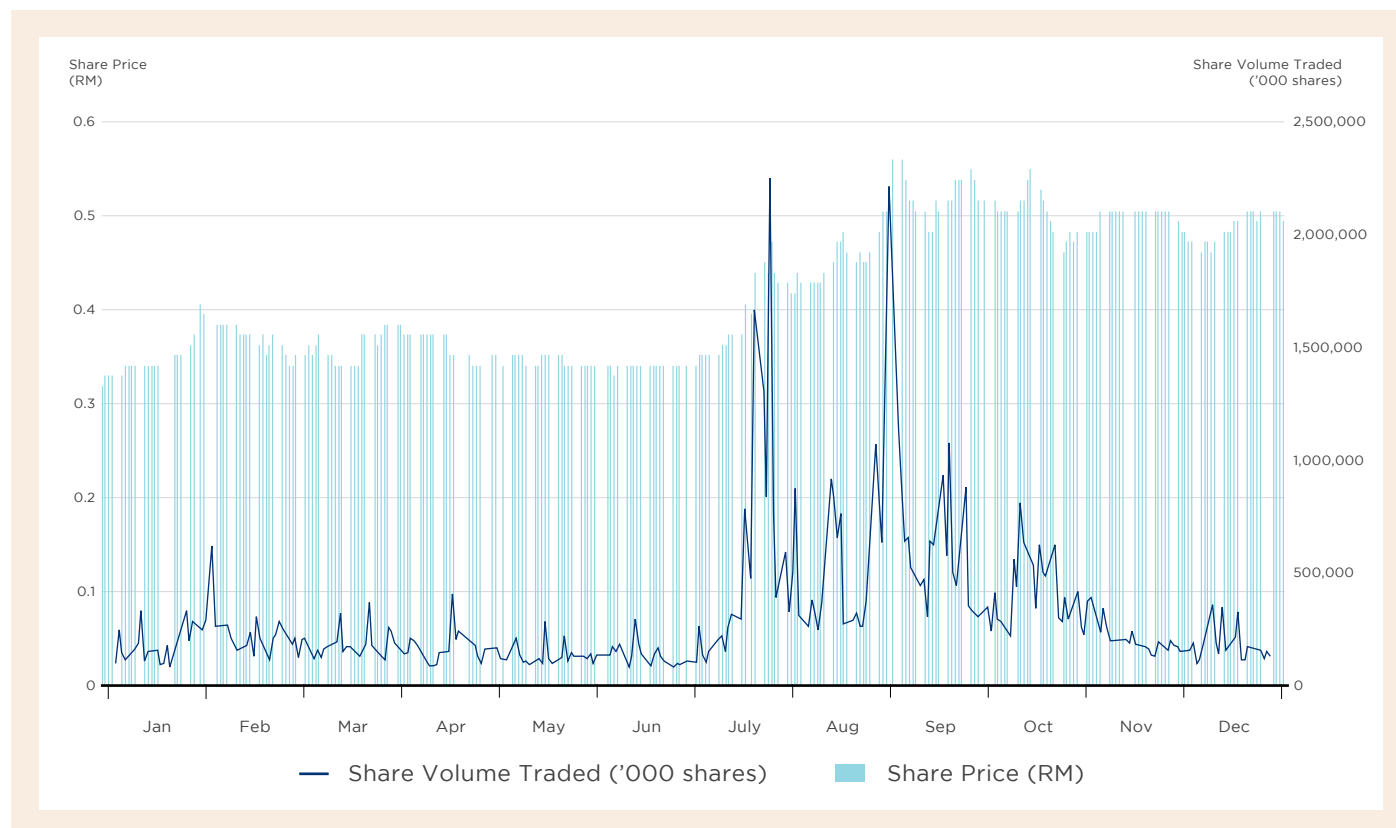
MCCG PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Target Price Forecasts (RM) by Analysts in 2023

Research House	Target Price (RM)			
	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Affin Hwang	0.33	0.43	0.44	0.55
HLIB	0.36	0.55	0.54	0.67
KAF	0.36	0.42	0.68	0.73
MIDF	0.42	0.42	0.42	0.63
RHB	0.40	0.55	0.52	0.70
UOB Kay Hian	0.37	0.41	0.40	0.37

MRCB Share Price Movement and Volume Traded Chart





## MCCG PRINCIPLE C

### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### 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 ending 31 December 2023, the Company is proposing a first and final single-tier dividend of one (1) 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 through 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](mailto: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 express 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 presented 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.

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

MRCB conducted its 52<sup>nd</sup> Annual General Meeting (AGM) in a virtual manner on 7 June 2023 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 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 permitted 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 (5) 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 provide additional context where necessary. A total of 103 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 posed were afforded due attention and meaningful responses were received 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.





## MCCG PRINCIPLE C

**INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

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 eight (8) business days of the AGM on 19 June 2023. The minutes of the AGM were similarly published 20 business days later – on 10 July 2023. Both documents can be accessed at [www.mrcb.com.my/investor-relations/shareholder.html](http://www.mrcb.com.my/investor-relations/shareholder.html).

The Board is encouraged that virtual General Meetings offer shareholders greater flexibility and accessibility. It is pleased with the improved 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 measures to address the remaining departures.

Though we continue to make strides in our journey towards stronger corporate governance, the Board recognises that our governance practices will only be as strong as the people entrusted with appreciating and implementing them. As such, the continued development of our people is critical to extract the 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 29 February 2024.