

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5011
COMPANY NAME : MESINIAGA BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	Providing leadership in meeting the objectives and goals of the Company At Mesiniaga, ethical conduct and practices are prioritised in all business dealings and interactions with stakeholders, in addition to complying with regulatory requirements. The Employee e-Handbook includes the Mesiniaga Business Conduct Guidelines, which outline the ethical behaviour expected of employees. These guidelines cover personal conduct, fair business practices, relationships with other organisations, the use and protection of proprietary and confidential information, and fraud prevention. Additionally, support is dedicated to the use of licensed software and implementing effective software asset management practices. The upgraded ISO 9001:2015 accreditation serves as evidence of the commitment to ethical and best practices. The company remains committed to achieve its vision and mission of becoming the preferred IT partner in Malaysia by supporting customers' success. The goal is to uphold the highest level of governance within the company and its group, while exceeding the expectations of all stakeholders, particularly shareholders. The Board of Directors firmly believes that adhering to the highest corporate governance standards is crucial for sustainable performance and economic value creation for all stakeholders. The company values are founded on respect, integrity, commitment, innovation, and teamwork.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	Datuk Wan Mohamed Fusil Bin Wan Mahmood serves as the Chairman of the Board, leading efforts to promote good corporate governance practices, effective leadership, and overall effectiveness. The Board Charter outlines the key responsibilities of the Chairman, which include: i. to act as a liaison between Management and the Board; ii. to keep abreast of the activities of the Group and management so that sufficient information is provided to enable the directors to form an appropriate judgement; iii. to approve arrangements for Annual and Extraordinary General Meetings; iv. to chair Board and General Meetings; v. to review and sign minutes of Board meetings; and vi. to call special meetings of the Board when necessary.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company recognises the virtues of having the two positions held by two separate individuals and are currently having plan to achieve the said objective.	
		Until the conclusion of the exercise, the Company's Chairman would continue to act in both capacities.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	While the Chairman has not been participating in other committees, he has been invited to attend the Audit Committee Meetings in his capacity as the Company's Chief Executive Officer. This practice would automatically be applied once the action plan on Practice 1.3 has been completed.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	The Company Secretary assist the Board by providing guidance on legal compliance and corporate governance best practices, for both the Company and its group of companies. This includes advising the Directors on matters such as securities disclosure, conflict of interest in transactions, securities dealing prohibitions, and restrictions on the disclosure of price-sensitive information. Furthermore, the Company Secretary attends all Board meetings, ensures accurate and comprehensive recording of the proceedings and decisions made at these meetings, communicates the Board's decisions to management for implementation, ensures compliance with statutory obligations, manages company share transactions and dividend payments, and handles corporate disclosure announcements. The Board has full authority over the appointment and removal of the Company Secretary.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	The Board understands the value of supplying relevant information to facilitate informed discussions and decision-making. The Secretary, in consultation with the Chairman, circulates the notice and agenda of upcoming Board meetings to all members in advance.	
		To ensure informed decision-making, Directors are provided with accurate, comprehensive, and clear Board papers. If needed, Board members can request additional advice or clarification from management.	
		All Board meeting discussions and conclusions are recorded in the meeting minutes, which are reviewed by the Chairman in a timely manner. The minutes accurately reflect the decisions made, key deliberations, reasons behind each decision, and any noteworthy concerns or dissenting views.	
		Management is promptly informed of the Board's decisions to ensure effective execution.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board adheres to its Board Charter, which outlines the Board's fiduciary and leadership duties, as well as its strategic objectives and obligations. The Company's website, www.mesiniaga.com.my, contains the Board Charter, which specifies the Company Board's precise procedures, roles, and obligations. The Board Charter was last reviewed on 20 November 2020 to ensure that it is consistent with the Malaysian Code on Corporate Governance, the Companies Act 2016, and Main Market Listing Requirements.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	Mesiniaga strictly adheres to ethical conduct and practices in all its business dealings with stakeholders and regulatory requirements. The Mesiniaga Business Conduct Guidelines (BCG), an essential component of the Employee e-Handbook, outlines the expected ethical behaviour of employees. The BCG encompasses personal conduct, business fairness, relationships with other organizations, use of confidential information, and fraud prevention. Additionally, the company supports licensed software utilization and good software asset management practices, as demonstrated by its upgraded ISO 9001:2015 accreditation. To further promote ethical behaviour and fair dealings, Mesiniaga issued an Anti-Bribery and Corruption Policy, Whistleblowing Policy, and Vendor Code of Conduct on 8 October 2019. These policies supplement the BCG in enhancing the company's culture of ethical conduct. The company is committed to maintaining its high reputation, and each employee is responsible for behaving in the prescribed manner outlined in the BCG and policies. The policies and procedures are based on the Code on Corporate Governance principles and the relevant legal provisions under the MACC Act 2009 and Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The objective of these policies is to encourage employees to report illegal activities, such as corruption and other wrongdoings that may occur within the organization. The BCG and policies are available in the Employee e-Handbook, promoting accountability, transparency, and ethical practices. Although the BCG excludes details on money laundering and insider trading, the general provisions cover the Anti-Money Laundering, Anti-Terrorism Financing, and Proceeds of Unlawful Activities Act 2001 (AMLA) and the Capital Markets and Services Act 2007 (CMSA), which are applicable to the company.

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

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	Mesiniaga is committed to ethical conduct and practices in all business dealings with stakeholders, as well as compliance with regulatory requirements. To encourage employee concerns and whistleblowing, employees can raise them via various channels, including email, telephone, letter, or fax to the Ethics Committee. The Ethics Committee comprises the Chairman, a Board member, and the Internal Audit and Risk Manager. Employees are assured of confidentiality and protection at all times. The Whistleblowing Policy is available at https://mesiniaga.com.my/anti-bribery-corruption/.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied	
Explanation on application of the practice	:	A policy on sustainability has been put in place to ensure responsible governance and the development of strategies, priorities, and targets. This policy includes measures, actions, relevant indicators, and performance evaluation. Additionally, a Sustainability Committee has been established to oversee a Sustainability Governance Structure. As part of risk management, sustainability issues are being closely monitored.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Sustainability Statement of the company, which is included in its Annual Report, has been made available on its website for public access.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	The Board members are encouraged to participate in ongoing training programs that cover a wide range of sustainability aspects, including related issues. As part of this effort, the company is organising training session that will be attended by the board members and the ESG Committee.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Annual performance evaluations of the board and senior management are conducted. Nevertheless, sustainability risks and opportunities are not specifically included in the current performance evaluations for senior management.	
		A performance evaluation mechanism is currently under development to assess the effectiveness of the senior management in addressing the company's material sustainability risks and opportunities.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Chairman of the Sustainability Committee is responsible for providing strategic focus on sustainability management, which includes the incorporation of sustainability considerations into the operations of the company.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination and Remuneration Committee conducts an annual assessment of the Board's composition to determine the optimal size, necessary mix of skills, experience, core competencies, and the adequacy of the balance between Executive Directors, Non-Executive Directors, and Independent Non-Executive Directors.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	There is a shortage of 1 person to bring the composition of the independent directors to form half of the Board.	
	:	Even with only 3 Independent Directors that represents 43% of the Board, the current Independent Directors had demonstrated independence of judgment and ensured Board decisions were made objectively in the Company's best interests.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises MCCG 2021’s practice on the tenure of an Independent Director that should not exceed a cumulative term of nine (9) years. The Board is seeking the shareholders’ approval to retain an Independent Director who has reached the cumulative term of nine (9) years at the upcoming Annual General Meeting	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Not Adopted
Explanation on adoption of the practice	:

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board believes that appointing new Directors who possess objectivity, integrity, relevant skills, knowledge, experience, mindset, and ability is significant in strengthening the essential functions of the Board. The Board also acknowledge the importance of promoting diversity on the Board, which is crucial for effective governance and signifies good governance practices. To enable the Company to achieve its maximum potential in business and governance, the Board has achieved diversity in terms of experience, skills, expertise, competencies, ethnicity, and age.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied	
Explanation on application of the practice	:	Though the Nomination and Remuneration Committee is responsible for reviewing and recommending candidates for Board membership, the Board does not exclusively rely on the committee's suggestions. The Board is willing to explore alternative independent sources to identify appropriately qualified candidates.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	Adequate details regarding Directors seeking re-appointment are included in the Statement that accompanies the Notice for the upcoming Annual General Meeting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination and Remuneration Committee, led by Voon Seng Chuan, a Non-Executive Independent Director, is responsible for conducting an independent evaluation of the effectiveness of each Board member. The Terms of Reference of Nomination and Remuneration Committee can be found at https://mesiniaga.com.my/corporate-governance/.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Two (2) out of the seven (7) member Board are women.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	A policy promoting gender diversity for the Board, senior management, and workforce has been implemented by the Company. The Gender Diversity Policy can be accessed at https://mesiniaga.com.my/corporate-governance/ .	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>		
Application	:	Applied
Explanation on application of the practice	:	An annually evaluation being undertaken to assess the effectiveness of the Board, its committees, and individual Directors.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has implemented a policy and process for determining the remuneration of its Directors and CEO. The CEO is responsible for determining the policy and practice regarding the remuneration of other Senior Management members.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination and Remuneration Committee (NRC) is responsible for supervising the implementation of the policy and procedure on remuneration, which includes reviewing and recommending issues related to the Board's remuneration, specifically the Executive Director's remuneration. The Terms of Reference of the NRC are disclosed in the annual report and also accessible through the Company's website.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The following information outlines the remuneration, including benefits-in-kind, received by each Director during the 2023 financial year:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	DATUK WAN MOHAMED FUSIL BIN WAN MAHMOOD	Executive Director	Input info here	Input info here	665	Input info here	Input info here	208	873	Input info here	Input info here	665	Input info here	Input info here	208	873
2	VOON SENG CHUAN	Independent Director	66	17	Input info here	Input info here	Input info here	Input info here	83	66	17	Input info here	Input info here	Input info here	Input info here	83
3	FATHIL SULAIMAN BIN ISMAIL	Non-Executive Non-Independent Director	111	23	Input info here	Input info here	Input info here	Input info here	134	111	23	Input info here	Input info here	Input info here	Input info here	134
4	SIM HONG KEE	Independent Director	72	20	Input info here	Input info here	Input info here	Input info here	92	72	20	Input info here	Input info here	Input info here	Input info here	92
5	DATUK NOOR AZIAN SHAARI	Independent Director	57	16	Input info here	Input info here	Input info here	Input info here	73	57	16	Input info here	Input info here	Input info here	Input info here	73
6	DATO' DARAWATI HUSSAIN	Non-Executive Non-Independent Director	69	19	Input info here	Input info here	Input info here	Input info here	88	69	19	Input info here	Input info here	Input info here	Input info here	88
7	ZAIM HUSNI OMAR	Non-Executive Non-Independent Director	48	10	Input info here	Input info here	Input info here	Input info here	58	48	10	Input info here	Input info here	Input info here	Input info here	58
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board believes that in this highly competitive industry, disclosing the remuneration of Senior Management could compromise the Group's confidentiality and retention efforts. Given the difficulties in recruiting and retaining Senior Management, remuneration remains a crucial factor in attracting and retaining top talent. The Board ensures that the remuneration offered to Senior Management aligns with the Company's performance while also considering the need to attract, retain and motivate Senior Management to lead and manage the Company effectively.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit and Risk Management Committee (ARMC) comprises two independent directors and one non-independent director, chairs by Sim Hong Kee.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The members of the Audit and Risk Management Committee (ARMC) have no prior experience as a key audit partner of the Group's external auditors. If a former key audit partner is considered for the Committee, a two-year cooling-off period would be enforced before the appointment, in compliance with the ARMC's Terms of Reference available on the Company's website and also published in the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied	
Explanation on application of the practice	:	As per its Terms of Reference, the ARMC conducts an annual review of the external auditor of the Company to assess their suitability, objectivity, and independence. The review encompasses an evaluation of the external auditor's performance, quality of work, audit fees, and adequacy of resources, along with assessing their independence.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	Sim Hong Kee has a background as a chartered accountant. He is also a member of the Malaysia Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). While Dato' Darawati is a Chartered Financial Analyst. Although Datuk Noor Azian does not have a financial background, she possesses sufficient experience that enables her to be financially literate and understand matters under the purview of the ARMC, including the financial reporting process. All members of the ARMC have participated in various professional development programs to stay updated with relevant developments in accounting standards, practices, and regulations.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board has implemented a comprehensive risk and internal control framework, which includes a risk assessment process, internal control measures, and oversight and reporting functions to enhance the Group's risk management and internal control capabilities. The Statement of Risk Management and Internal Control (SORMIC) in the Company's Annual Report provides further information about the Group's Risk Management and Internal Control Framework.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	Continuous risk assessment, monitoring, and review are conducted within the Group's key operating units. The Risk Management Steering Committee, delegated by the ARMC, plays a critical oversight role. More information on the risk management and internal control framework can be found on the Company's Annual Report in the Statement of Risk Management and Internal Control (SORMIC).	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted								
Explanation on adoption of the practice	:	The ARMC is responsible for overseeing risk management in areas such as cybersecurity, ethics and integrity compliance, and regulatory compliance, as required by Bursa Securities Listing Requirements, Securities Commission, and other relevant authorities. At the end of the financial year, the ARMC comprises of three Non-Executive Directors, two of whom were independent as follows: <table><tr><th>Name of Members</th><th>Designation</th></tr><tr><td>Sim Hong Kee</td><td>Independent Non-Executive Director (Chairman)</td></tr><tr><td>Datuk Noor Azian Shaari</td><td>Independent Non-Executive Director</td></tr><tr><td>Dato’ Darawati Hussain</td><td>Non-Independent Non-Executive Director</td></tr></table>	Name of Members	Designation	Sim Hong Kee	Independent Non-Executive Director (Chairman)	Datuk Noor Azian Shaari	Independent Non-Executive Director	Dato’ Darawati Hussain	Non-Independent Non-Executive Director
Name of Members	Designation									
Sim Hong Kee	Independent Non-Executive Director (Chairman)									
Datuk Noor Azian Shaari	Independent Non-Executive Director									
Dato’ Darawati Hussain	Non-Independent Non-Executive Director									

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit and Risk Department in the Company is responsible for establishing and conducting the internal audit functions in-house, and reports directly to the ARMC on a quarterly basis. The primary objective of the internal audit function is to enhance the Group's operations by providing independent and objective assurance and consultation, through auditing key processes and ensuring consistency in the control environment and policies and procedures. The Audit and Risk Department supports the ARMC in fulfilling its duties and responsibilities, and the ARMC has ensured that the internal audit function operates independently and effectively in the reviewed year.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	Internal audit personnel are free from any relationship or conflict of interest which could impair their objectivity and independence. The internal audit unit is headed by the Head of the Audit and Risk Department. He holds an MBA and is a professional member of the Institute of Internal Auditors and Certification in Risk Management Assurance (CRMA). He is assisted by a team of two internal auditors who have sufficient auditing experience and tertiary academic qualifications.
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Group encourages shareholders to direct any inquiries they may have to the Chief Executive Officer or through the Company's website at www.mesiniaga.com.my . Additionally, after the announcement of the Group's quarterly results, the Chief Executive Officer provides regular updates on the Group's performance to analysts and shareholders upon request.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	Though the Company’s Articles of Association specify a notice period of 21 days for convening an Annual General Meeting, the Company has been observing a longer notice period of more than 30 days.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Board demonstrates its commitment to shareholders by presenting the Group's business progress and performance and encouraging their participation in the question and answer session at each Annual General Meeting. All Directors have attended the previous AGM to show their dedication to this approach.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Except during the MCO period, the Company had been holding physical Annual General Meetings at its own building since 1998.	
		The Company currently has no plans to implement absentia or remote participations for the Shareholders, but it may consider using these methods in the future if needed.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Annual General Meeting consistently encourages all attending Shareholders to actively participate and pose questions without hesitation.
Explanation for departure	:	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

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

provide brief reasons on the choice of the meeting platform.		
Application	:	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice	:	
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Minutes of the General Meeting are published and can be access on the Company's website.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

Nil
