

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5166  
**COMPANY NAME** : MINDA GLOBAL BERHAD  
**FINANCIAL YEAR** : December 31, 2021

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

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

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the overall corporate governance of Minda Global and its subsidiaries ("the Group"), its strategic direction, overseeing the conduct of the Group's business to evaluate whether the business is being properly managed, identifying principal risks and ensuring the implementation of appropriate systems to manage these risks, ensuring proper succession planning and effective shareholders communication policy, ensuring the integrity of the Group's financial and non-financial reporting and reviewing the adequacy and the integrity of the Group's internal control systems.</p> <p>The Board had on 20 April 2022 revised the Board Charter. The document serves as a reference and guides for Directors in discharging their responsibilities for the Company which is made available on Minda Global's website at <a href="http://mindaglobal.com.my/wp-content/uploads/2022/04/Minda-Board-Charter-20042022.pdf">http://mindaglobal.com.my/wp-content/uploads/2022/04/Minda-Board-Charter-20042022.pdf</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Board, General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj Nordin (Rtd.), is an Independent Non-Executive Director. He plays an instrumental role in providing leadership to the Board for all aspects of the Board's roles and responsibilities, ensuring that operations conform to the Board's strategic directions, Company's vision and corporate policies, as well as facilitating the communication and understanding between the Management and the Board.</p> <p>The roles and responsibilities of the Chairman of the Board have been stated under Item 3.2 of the Board Charter, which is made available on Minda Global's website at <a href="http://mindaglobal.com.my/wp-content/uploads/2022/04/Minda-Board-Charter-20042022.pdf">http://mindaglobal.com.my/wp-content/uploads/2022/04/Minda-Board-Charter-20042022.pdf</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Independent Non-Executive Chairman is General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj Nordin (Rtd.), while the role of Group Managing Director ("GMD") is fulfilled by Maha Ramanathan Palan who was the Executive Director of the Company has been re-designated as the Group Managing Director ("GMD") on 1 January 2022.</p> <p>The roles of the Chairman and GMD/ED are exercised by different individuals. The roles of Chairman are distinguished from that of the GMD's/ED's roles with a clear division of responsibilities. Besides ensuring an appropriate balance of power and authority, the segregation of roles facilitates an open exchange of views and opinions between the Board and the Management in their deliberation of the business, strategies and key operations of the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 1.4**

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	The Chairman of the Company, General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj. Nordin (Rtd.) is not a member of the Audit and Risk Management Committee, Nomination and Remuneration Committee.
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

## Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary is a qualified Chartered Secretary (ICSA) and Fellow Member of the Malaysian Institute of Chartered Secretaries (MAICSA) who provide advice and regularly update the Board on good governance, board policies and procedures, administrative matters and corporate compliances. All Directors have unhindered access to the advice and services of the Company Secretary, whose appointment and removal is a matter of the Board as a whole.</p> <p>The Company Secretary also ensures that the Board is kept well informed on any regulatory requirements and update on the developments in the area of corporate governance that affect the duties and responsibilities of the Directors as well as the Company being a public listed company. In this respect, the Company Secretary has attended training and seminars conducted by relevant regulatory bodies to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the MMLR of Bursa Securities.</p> <p>The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, in accordance with Chapter 14 of the MMLR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minuted and documented by the Company Secretary.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Board meetings for the ensuing financial year are scheduled in advance to facilitate Directors to plan ahead and fit the year's Board meetings into their schedules.</p> <p>Prior to each meeting, a reasonable period of the notice of meetings and agendas were circulated to all Directors together with the draft minutes of the previous meeting as well as the respective reports/papers and other board meeting reference materials such as management reports and financial reports to be discussed in order for them to be apprised of the topics and to be prepared accordingly. Management was invited to attend and present at the meetings, to provide additional information and explanations.</p> <p>The Minutes including matters Directors abstained from voting/deliberation, contain all deliberations, discussion and decision are prepared soonest practicable by the Company Secretary. The Company Secretary will distribute the Minutes to the Directors for review and thereafter, for confirmation at the next meeting.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

## Practice 2.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The revised Board Charter was approved and adopted on 20 April 2022. The Board Charter is made available on the Company's website at <a href="http://mindaglobal.com.my/wp-content/uploads/2022/04/Minda-Board-Charter-20042022.pdf">http://mindaglobal.com.my/wp-content/uploads/2022/04/Minda-Board-Charter-20042022.pdf</a>.</p> <p>The Board Charter clearly outlines amongst others:</p> <ul style="list-style-type: none"><li>• board composition and board balance with qualified individuals of diverse experience, integrity and competence</li><li>• roles and responsibilities of the Board of Directors, Chairman of the Board, GMD/GCEO, Independent Non-Executive Directors ("INED"), Senior INED and Non-Independent Non-Executive Directors</li><li>• board committees (i.e. Audit and Risk Management Committee and Nomination and Remuneration Committee)</li><li>• the procedures of board meeting</li><li>• continuing education programmes</li><li>• directors' remuneration</li><li>• board evaluation and performance</li><li>• investor relations and shareholder communication</li><li>• relationship with other stakeholders</li></ul> <p>The Board Charter will be periodically reviewed by the Board and updated in accordance with the needs of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		



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

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Code of Conduct and Ethics for Directors was adopted on 14 February 2018 with the objective of attaining the best corporate governance practices and compliance with legislation governing Directors' duties in discharging their duties to achieve corporate objectives. It is important to establish a standard of competence for corporate accountability which, includes standards of professionalism and trustworthiness to uphold good corporate integrity.</p> <p>The Code of Conduct and Ethics for Directors covers a wide area of policies and procedures to provide direction and guidance to all Directors in discharge of their duties and responsibilities that will be in the best interest of the Group and to establish a standard of ethical behaviour for Directors based on trustworthiness and values that are upheld by Directors.</p> <p>As an effort to continuously observe the highest standard of ethical conducts within the Group, the Board has also adopted the Code of Conduct which applies to all Directors and employees of the Group on 29 May 2020. This Code of Conduct of the Group covers the areas among others, conflicts of interest, abuse of power, insider trading, proper use of company's assets and confidential information, financial reporting, corruption and bribery, money laundering and whistleblowing.</p> <p>The Code of Conduct and Ethics for Directors is made available on the Company's website at <a href="http://mindaglobal.com.my/wp-content/uploads/2018/02/Minda-Global-Director-Code-of-Conduct-Final.pdf">http://mindaglobal.com.my/wp-content/uploads/2018/02/Minda-Global-Director-Code-of-Conduct - Final.pdf</a> whereas the Code of Conduct of the Group is made available on the Company's website at <a href="http://mindaglobal.com.my/wp-content/2020/05/Minda-Global-Code-of-Conduct-23May2020.pdf">http://mindaglobal.com.my/wp-content/2020/05/Minda-Global-Code-of-Conduct-23May2020.pdf</a></p> <p>The Code of Conduct and Ethics for Directors and the Code of Conduct of the Group will be periodically reviewed by the Board and updated in accordance with the needs of the Group.</p>

	<p>The Board is also committed to conducting businesses in an ethical, transparent, responsible and efficient manner. In line with this commitment, the Board has put in place an Anti-Bribery and Anti-Corruption Policy on 29 May 2020 which is made available on the Company's website at <a href="http://mindaglobal.com.my/wp-content/uploads/2020/05/Minda-Global-AB-AC.pdf">http://mindaglobal.com.my/wp-content/uploads/2020/05/Minda-Global-AB-AC.pdf</a></p>	
<b>Explanation for departure</b>	:	
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<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has adopted a Whistle-blowing Policy (“WP”) on 14 February 2018 which plays an important part in maintaining the highest level of corporate ethics within the Group. It has a professional responsibility to disclose any known malpractices or wrongdoings.</p> <p>The WP provides an avenue for all employees and members of the public to disclose any improper conduct or any action that is or could be harmful to the reputation of the Group and/or compromise the interest of stakeholders.</p> <p>The structure adopted by the Group establishes a clear line of communication and reporting of concerns for employees at all levels. It provides alternative lines of communication depending on the person(s) who is/are the subject of such concerns.</p> <p>The disclosure of information should initially and promptly be made by the whistle blower to Tan Sri Datuk (Dr.) Rafiah Binti Salim who is a Senior Independent Non-Executive Director. The reports or disclosure under this WP can be made through e-mail at <a href="mailto:director@mindaglobal.com.my">director@mindaglobal.com.my</a> or mail (using the attached form as per Appendix 1 which can be found at Company’s website) addressed to the registered address of the Company at HMC Corporate Services Sdn Bhd, Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur. The Group Chief Financial Officer shall be the named Investigator unless otherwise assigned by the Audit and Risk Management Committee.</p> <p>The WP and its details on the procedures being available on the Company’s website at <a href="http://mindaglobal.com.my/wp-content/uploads/2018/02/Minda-Global-Whistle-Blowing-Policy-Final.pdf">http://mindaglobal.com.my/wp-content/uploads/2018/02/Minda-Global-Whistle-Blowing-Policy-Final.pdf</a></p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible to oversight the Group's sustainability agenda, practices, strategies and performance supported by the Management. The Management is tasked to integrate sustainability considerations in the day-to-day operations of the Group and ensuring the effective implementation of the Group's sustainability strategies and plans.</p> <p>The Terms of Reference of the Audit and Risk Management Committee ("ARMC") has been revised to provide the explicitly ARMC's responsibilities to renew the Group's sustainability policies, goals and risks periodically.</p> <p>The Sustainability Report of the Group which provides an overview of the sustainability performance for the financial year ended 31 December 2021, is set out on pages 24 to 34 of the Annual Report 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company believes in transparency and open lines of communication with all the stakeholders. Transparency and communication are fundamental components of good corporate governance and serve to build vital relationships of trust the Company maintain with its stakeholders.</p> <p>The Company engage its stakeholders through various means of communication to enable them to more understand the Group’s business operation and seek their feedbacks and input on several matters relevant to them. The Group identified them through issues which are material based on their impact to the Group’s operation and the number of stakeholders affected.</p> <p>The Company strives to maintain an open and two-way communication with its employees to discuss, among others, the Company’s performance and growth strategies. The Executive Director has presented to the shareholders on the Group’s overview, business model, strategy plans and financial review during the Annual General Meeting.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board took note the importance of the sustainable development. The Board have kept themselves abreast whenever possible with issues relevant to the Company by attending relevant trainings. The details of the trainings attended by the Board are disclosed in page 38 of the Annual Report 2021.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 4.4

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors and Board Committees' assessment and evaluation have been performed on yearly basis to assess the following areas:-</p> <ul style="list-style-type: none"> <li>• Board and Board Committee Evaluation;</li> <li>• Board Skills Matrix;</li> <li>• Directors' Evaluation' and</li> <li>• Independent Directors' Self-Assessment Checklist.</li> </ul> <p>Based on the assessment and evaluation performed by each individual Directors and Nomination and Remuneration Committee ("NRC"), it was concluded that:-</p> <p>(a) NRC was satisfied that the Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.</p> <p>(b) NRC was satisfied with the current structure, size and composition of the Board which comprises people who possess different expertise and experience in various fields and specialisations enable the Board to lead and manage the Company effectively.</p> <p>(c) NRC was satisfied with the performance and contribution of each individual Director and each Director is well qualified in his/her area of expertise and profession.</p> <p>(d) NRC was satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act independently and objectively in the best interest of the Company.</p>
<b>Explanation for departure</b>	:	

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

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

### **Intended Outcome**

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

### **Practice 4.5- Step Up**

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	As a responsible business entity, the Group has committed to develop sustainable strategies across all levels of management. In the effort to embed and achieve sustainable management and growth into the daily operations, the Managing Director to oversee and implement sustainable programs.

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination and Remuneration Committee ("NRC") had performed Board assessment on annual basis to ensure that the right group of people with appropriate mix of skill was appointed.</p> <p>The NRC also conducted an assessment of Directors who are seeking for re-election at the forthcoming 5<sup>th</sup> Annual General Meeting ("AGM") and concluded that Tan Sri Datuk (Dr.) Rafiah Binti Salim and Mr. Maha Ramanathan Palan are eligible for re-election. The Board had approved and proposed the re-election of Tan Sri Datuk (Dr.) Rafiah Binti Salim and Mr. Maha Ramanathan Palan at the coming AGM.</p> <p>The Board had revised its Board Charter on retaining an Independent Director after a cumulative term of nine (9) years by seeking annual shareholders' approval through a two-tier voting process to be in line with the Malaysian Code on Corporate Governance 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board currently consists of six (6) Directors i.e. one (1) Independent Non-Executive Chairman, one (1) Group Managing Director, one (1) Non-Executive Director and three (3) Independent Non-Executive Directors (“INEDs”), which is in compliance with Paragraph 15.02(1) of the MMLR of Bursa Securities.</p> <p>All the three (3) INEDs fulfilled the criteria of “Independence” as prescribed under the MMLR of Bursa Securities.</p> <p>The Nomination and Remuneration Committee (“NRC”) reviews the independence of the Directors annually according to the criteria on independence set out in the MMLR of Bursa Securities and Practice Notes of MMLR. In addition to the annual review by the NRC of the Directors’ independence, each INED also submits an annual declaration regarding his/her independence.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.3**

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.

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

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

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

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

## Intended Outcome

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

## Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board will ensure that each of its Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director, as the case may be, of the Company.</p> <p>The Board Charter clearly outlines that all nominations of candidates for the positions of Directors and Managing Director must be submitted to the Nomination and Remuneration Committee (“NRC”) for consideration. The NRC shall base its recommendation on the guidelines as detailed hereunder before recommending the candidates to the Board for approval:</p> <ul style="list-style-type: none"><li>a) Age limit</li><li>b) In accordance with the Main Market Listing Requirement (“MMLR”) of Bursa Securities, Companies Act 2016 and any other regulatory compliance</li><li>c) Work experience</li><li>d) Qualifications</li><li>e) Personal background</li><li>f) Competencies</li><li>g) Directorships</li></ul> <p>The Group adopts gender diversity through its Board, Management and staff composition. The Board welcomes suitable and qualified female Directors to come on the Board subject to the evaluation and assessment by the NRC following the criteria set by the MCCG 2021 and the MMLR of Bursa Securities.</p> <p>The detailed description of the diverse background and experience of the Board members are set out in the Directors’ Profile of the Annual Report 2021.</p>
<b>Explanation for departure</b>	:	



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

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>All the appointments of new Directors are subject to screening and appropriate recommendation by the Nomination and Remuneration Committee ("NRC") prior to consideration and approval by the Board.</p> <p>In considering potential candidates for appointment, the NRC will ensure candidates possess the appropriate skills, core competencies, experience and integrity to effectively discharge his or her role as a Director. Potential candidates may be proposed by any current Board member, shareholder or senior management personnel as well as network of industry contacts including independent sources, when required.</p> <p>To ensure that directors have sufficient time to fulfil their roles and responsibilities effectively, the criterion as agreed by the Board for determining candidates for the pool of potential Directors is that they must not hold directorships of more than five (5) public listed companies (as prescribed in Paragraph 15.06 of the MMLR of Bursa Securities).</p> <p>The proposed candidate will also be required to confirm that he/she meets the criteria for an independent director as prescribed in the MMLR of Bursa Securities and its Practice Note 13 prior to recommending to the Board for approval of his/her proposed appointment as an Independent Non-Executive Director.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

## Intended Outcome

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

## Practice 5.7

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The details of the Directors seeking re-election at the Annual General Meeting (“AGM”) including their qualification, working experience, directorship in other public listed company, relationship with any director or major shareholder and conflict of interests with the Company are set out in the Profile of Directors section as disclosed in the Annual Report.</p> <p>The details of the interest of the Directors in the securities of the Company and attendance at Board of Directors’ Meetings held during the financial year ended 31 December 2021 are also disclosed in the Annual Report.</p> <p>Based on the assessment of the Nomination and Remuneration Committee that Tan Sri Datuk (Dr.) Rafiah Binti Salim and Mr. Maha Ramanathan Palan are eligible for re-appointment, the Board had approved and resolved the re-appointment of Tan Sri Datuk (Dr.) Rafiah Binti Salim and Mr. Maha Ramanathan Palan as Directors at coming 5th AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.8

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

<b>Application</b>	:	Applied														
<b>Explanation on application of the practice</b>	:	The membership of the NRC is set out in its Terms of Reference. The NRC comprises exclusively of Independent Non-Executive Directors and chaired by the Senior Independent Non-Executive Director, Tan Sri Datuk (Dr.) Rafiah Binti Salim.  During the year under review, two (2) meetings was carried out, with attendance as follows:														
		<table border="1"><thead><tr><th>Name of Director</th><th>Designation</th><th>No. of Meetings Attended</th></tr></thead><tbody><tr><td>Tan Sri Datuk (Dr.) Rafiah Binti Salim (Senior Independent Non-Executive Director)</td><td>Chairman</td><td>2/2</td></tr><tr><td>Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar (Independent Non-Executive Director)</td><td>Member</td><td>2/2</td></tr><tr><td>Dato' Tan Choon Hwa @ Esther Tan Choon Hwa (Independent Non-Executive Director) (Appointed as a member on 21 May 2021)</td><td>Member</td><td>1/1</td></tr></tbody></table>	Name of Director	Designation	No. of Meetings Attended	Tan Sri Datuk (Dr.) Rafiah Binti Salim (Senior Independent Non-Executive Director)	Chairman	2/2	Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar (Independent Non-Executive Director)	Member	2/2	Dato' Tan Choon Hwa @ Esther Tan Choon Hwa (Independent Non-Executive Director) (Appointed as a member on 21 May 2021)	Member	1/1		
Name of Director	Designation	No. of Meetings Attended														
Tan Sri Datuk (Dr.) Rafiah Binti Salim (Senior Independent Non-Executive Director)	Chairman	2/2														
Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar (Independent Non-Executive Director)	Member	2/2														
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa (Independent Non-Executive Director) (Appointed as a member on 21 May 2021)	Member	1/1														
<b>Explanation for departure</b>	:															
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																
<b>Measure</b>	:															
<b>Timeframe</b>	:															

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board currently have two (2) women Director on Board, which represent 33% of the total number of board members. The Board through the NRC will continue to conduct all Board appointment processes in a manner that promotes gender diversity.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board acknowledges the importance of gender diversity as an important element of a well-functioning board. In order to further reinforce the Company's commitment towards gender diversity, the Board has put in place the Board Gender Diversity Policy, which is available at the Company's website at <a href="http://mindaglobal.com.my/wp-content/uploads/2018/12/Minda-Gender-Diversity-Policy.pdf">http://mindaglobal.com.my/wp-content/uploads/2018/12/Minda-Gender-Diversity-Policy.pdf</a>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The NRC carries out assessment on an annual basis on the effectiveness and performance of the Board, Board Committees and contribution of each individual Director, in order to verify that the Board is functioning appropriate as a whole. Each Director will be provided with a detailed questionnaire in the Directors' Performance Evaluation which covers matters relevant to the Board performance, among others, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee will be carried out by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its Term of Reference. The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, as part of the Company's ongoing corporate governance practices.</p> <p>Results of the evaluation of the Board, Board Committees and individual Directors are presented to the NRC and Board meetings. As of April 2022, the NRC has conducted the evaluation and assessment exercise in respect of the effectiveness and performance of the Board and Board Committees, and contribution of each individual Director on the Board for the financial year ended 31 December 2021.</p> <p>Following the evaluation and assessment results, the NRC agreed that the Board as a whole, the Board Committees and each individual Director had performed well and effectively and the overall composition of the Board in terms of size, mix of skills, experience, core competencies, diversity and the balance between the Executive Directors, Non-Executive Directors and Independent Directors, is appropriate. The Independent Directors had also fulfilled their independent role in corporate accountability through their objective participation in Board deliberations during Board meetings.</p>



	Based on the evaluation and assessment results, the NRC has also recommended to the Board, Tan Sri Datuk (Dr.) Rafiah Binti Salim and Mr. Maha Ramanathan Palan, who are retiring and eligible to stand for re-election at the Company's forthcoming Annual General Meeting in accordance with Clause 103 of the Company's Constitution. Both Tan Sri Datuk (Dr.) Rafiah Binti Salim and Mr. Maha Ramanathan Palan have expressed their intention to seek for re-election at the Company's forthcoming Annual General Meeting.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has adopted a Remuneration Policy for the remuneration of Directors and key senior management. The Board is cognisant that such policy is premised on the need to have an adequate level of remuneration to attract, retain and motivate Directors and senior management personnel of high calibre, expertise with experience relevant to the Company.</p> <p>In determining the level and make-up of the Director's remuneration, the NRC is guided by the Remuneration Policy to consider among others, the following:</p> <ul style="list-style-type: none"><li>a) Performance measures and targets to be aligned with the Company's corporate strategy and Shareholders' interest;</li><li>b) Remuneration and rewards shall be granted based on the achievement of the key performance indicator and subject to the Company's overall performance and affordability; and</li><li>c) Total remuneration shall be set at levels that are competitive with the relevant market and industry.</li></ul> <p>The Remuneration Policy is available at the Company's website at <a href="http://mindaglobal.com.my/wp-content/uploads/2018/12/Minda-Remuneration-Policy.pdf">http://mindaglobal.com.my/wp-content/uploads/2018/12/Minda-Remuneration-Policy.pdf</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NRC was established to assist the Board in their responsibilities in nominating new nominees to the Board and to assess the performance of the Board, the Board Committees and the Directors of the Company on an on-going basis and also assist the Board in adopting a transparent policy on remuneration of Directors and ensuring the suitability of the remuneration packages of Directors.</p> <p>The NRC comprises wholly of Independent Non-Executive Directors and is chaired by the Senior Independent Non-Executive Director. The composition of the NRC and the profile of each member can be found in Directors' Profile of the Annual Report. The roles and responsibilities of the NRC are set out in its Terms of Reference which is made available on the Company's website at <a href="http://mindaglobal.com.my/wp-content/uploads/2018/02/Minda-Global-Terms-of-Reference-of-the-Nom-and-Rem-Committee-Final.pdf">http://mindaglobal.com.my/wp-content/uploads/2018/02/Minda-Global-Terms-of-Reference-of-the-Nom-and-Rem-Committee-Final.pdf</a></p> <p>The summary of NRC's activities during the financial year under review are set out on page 40 under the Corporate Governance Overview Statement of the Annual Report 2021.</p> <p>As of the date of this Statement, the NRC have reviewed and recommended to the Board, the Directors' fees and meeting allowances. The Board has approved the NRC's recommendation to maintain the Directors' fees and meeting allowances, for shareholders' approval to be sought at the Company's forthcoming Annual General Meeting. No Director is involved in deciding his own remuneration.</p>
<b>Explanation for departure</b>	:	

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

### **Intended Outcome**

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

### **Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	In line with the best corporate governance practice, the detailed disclosure on named basis for the Directors' remuneration of individual directors comprising remuneration received/receivable from the Company and subsidiaries respectively for the financial year ended 31 December 2021 is shown in the table below as well as in the Corporate Governance Overview Statement of the Annual Report 2021.

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	General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj. Nordin (Rtd.)	Independent Director	67,220	6,500	-	-	-	-	73,720	67,220	6,500	-	-	-	-	73,720
2	Maha Ramanathan Palan	Executive Director	8,000	-	-	-	-	-	8,000	8,000	-	477,923	-	-	57,240	543,163
3	Tan Sri Datuk (Dr.) Rafiah Binti Salim	Independent Director	52,000	6,500	-	-	-	-	58,500	52,000	6,500	-	-	-	-	58,500
4	Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar	Independent Director	52,000	10,500	-	-	-	-	62,500	52,000	10,500	-	-	-	-	62,500
5	Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	Independent Director	52,000	6,750	-	-	-	-	58,750	52,000	6,750	-	-	-	-	58,750
6	Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar	Executive Director	-	-	-	-	-	-	-	-	-	1,144,125	-	-	62,773	1,206,898
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

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



### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The details of senior management's remuneration are not shown, as the Board considers the information of the said remuneration to be sensitive and proprietary in view of the competitive nature of the human resource market and to support the Company's efforts in retaining executive talents. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to senior management's remuneration are appropriately served by the disclosures on an aggregate basis. The total remuneration paid to each senior management reflects the time and effort devoted to fulfil his or her responsibilities on the Board and linked to the Group's performance.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:	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.

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

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit and Risk Committee ("ARMC") is not the Chairman of the Board. The ARMC is chaired by Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar, an Independent Non-Executive Director and the Board is chaired by General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj Nordin (Rtd.), an Independent Non-Executive Director. Details of the composition of the ARMC are set out in the Annual Report 2021.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As a measure to safeguard the independence and objectivity of the audit process, the Audit and Risk Management Committee (“ARMC”) has incorporated a policy specification that governs the appointment of a former key audit partner to the ARMC.</p> <p>The policy, which is codified in the ARMC’s Terms of Reference, requires a former key audit partner to observe a cooling-off period of at least three (3) years before he/she can be considered for appointment as a Committee member.</p> <p>To-date, the Company has not appointed a former audit partner to be a member of the ARMC.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As per provided in the Terms of Reference of the ARMC, the duties and responsibilities for the ARMC in respect of the External Auditors are as follows:</p> <ul style="list-style-type: none"><li>a) To consider the nomination and appointment of External Auditors; and to consider the adequacy of experience and resources of the External Auditors and determine the audit fee</li><li>b) To assess the suitability, objectivity and independence of the External Auditors;</li></ul> <p>The Terms of Reference of the ARMC is available at the Company's website at <a href="http://mindaglobal.com.my/wp-content/uploads/2022/04/Minda-TOR-ARMC-20042022.pdf">http://mindaglobal.com.my/wp-content/uploads/2022/04/Minda-TOR-ARMC-20042022.pdf</a></p> <p>The ARMC has assessed the suitability, objectivity and independence of the Company's External Auditors. The External Auditors has confirmed that they are and have been independent throughout the conduct of the audit engagement in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards). In addition, to the best knowledge of the ARMC, the provision of non-audit services by the External Auditors during the year under review did not compromise the External Auditors' independence.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The ARMC comprises wholly Independent Non-Executive Directors as provided by the Terms of Reference of ARMC that requires at least three (3) members, consisting wholly of independent non-executive Directors.

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 9.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As provided by the TOR of ARMC, at least one (1) member must be a member of the Malaysian Institute of Accountants or a person who fulfils the requirements as stated in the MMLR of Bursa Securities.</p> <p>All the ARMC members are able to understand matters under the purview of the ARMC including the financial reporting process. Dato' Tan Choon Hwa @ Esther Tan Choon Hwa, a member of ARMC is a member of Malaysian Institute of Accountants ("MIA").</p> <p>During the year under review, the members of the ARMC have attended various seminar/training courses, to keep themselves abreast of relevant developments in accounting and auditing standards, new rules and regulations, the detail of which is disclosed in the Corporate Governance Overview Statement of the Company's Annual Report 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges that risk management and internal control system are an integral part of effective management practice. There is an on-going process in place to identify, evaluate, monitor and manage key risks faced by the Group and the Board reviews the key risks highlighted to ensure the relevant action is taken to mitigate the risk of the Group to safeguard shareholders' investments and Group's assets.</p> <p>The Risk Management Committee was established on 14 February 2018 and the Board has on 26 April 2018 resolved to combine the Audit Committee with Risk Management Committee, which was then renamed as Audit and Risk Management Committee ("ARMC"). ARMC assist the Board to oversee and review the effectiveness of the Group's risk management and internal control systems.</p> <p>An Enterprise Risk Management Framework of the Company and its key subsidiary was established to provide the overall guideline and approach to the Group's risk management and to facilitate systematic application of ERM practices and continuous reporting of risk management activities.</p> <p>The Group has established an Internal Audit Function through the appointment of an independent consulting firm which reports to the ARMC and assists the ARMC in reviewing the effectiveness of the Internal control system. The internal controls which have embedded in the business process and activities, amongst other, include delegation of functions, authority limits, setting of policies and procedures and reporting structure.</p> <p>The details are set out in the Statement on Risk Management and Internal Control in the 2021 Annual Report.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Details of the features of risk management and internal control framework and the adequacy and effectiveness of the framework are disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2021 of the Company.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The ARMC of Minda Global comprises wholly Independent Non-Executive Directors and is chaired by Tan Sri Datuk Wira Dr. Mohd Shukor Bin Mahfar.</p> <p>The responsibilities of the ARMC include overseeing the company-wide risk management practices. Any approved policy and framework formulated to identify, measure and monitor various risk components would be reviewed and recommended by the ARMC to the Board. Additionally, the ARMC reviews and assesses the adequacy of these risk management and ensures infrastructure, resources and systems are in place for risk management.</p>

### Intended Outcome

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

### Practice 11.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has established an internal audit (“IA”) function which is led by the IA Manager who reports directly to the Audit and Risk Management Committee (“ARMC”).</p> <p>In this respect, the IA Manager shall be accountable in reporting to the ARMC on the assessment of adequacy and effectiveness of the Group’s internal control and risk management processes. She has full access to the ARMC Chairman for consultation and clarification on audit scope and objectives as well as reporting purpose.</p> <p>The IA is independent of the activities and processes which it appraises to ensure that it is able to perform its duties in an objective manner and provide impartial advice to the ARMC.</p> <p>The IA Manager constantly keeps herself abreast with developments in the profession, relevant industry and regulations through attendance at conferences/trainings.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group's internal audit function is carried out by the group internal audit and compliance department, who is independent and free from any relationships or conflicts of interest, which could impair their objectivity and independence pursuant to the written declaration made by the internal audit department.</p> <p>The internal audit team is headed by Puan Haniza Binti Idris, the internal audit Manager, who is competent to conduct the internal audit activities according to the standards and code of ethics set by the body.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is mindful of the importance of maintaining proper corporate disclosure procedures with the aim of providing shareholders and investors with comprehensive, accurate and quality information on a timely basis.</p> <p>The Company's website at <a href="http://mindaglobal.com.my/">http://mindaglobal.com.my/</a> under the Investor Relations section, provides information on all Company's announcements made to Bursa Malaysia, share performance, annual reports, corporate and governance information of the Company and it is accessible to the public.</p> <p>The Company's website also provides Investor Relations contact for shareholders to direct their queries or concerns to.</p> <p>Minda Global has adopted a Shareholder Communication Policy which is available at its website <a href="http://mindaglobal.com.my/wp-content/uploads/2018/02/Minda-Global-Shareholder-communication-policy-Final.pdf">http://mindaglobal.com.my/wp-content/uploads/2018/02/Minda-Global-Shareholder-communication-policy-Final.pdf</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Annual Report 2021 has provided stakeholders with a fairly comprehensive overview of the Company's financial and non-financial information, including future prospects. Components such as Management and Discussion Analysis, Sustainability Statement, Corporate Governance Overview Statement and Statement of Risk Management and Internal Control form an integral part of the non-financial information.</p> <p>The Company may consider adopting integrated reporting based on globally recognised framework in near future.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	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 13.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In accordance with the recommendations of the MCCG 2021, the Company gives its shareholders at least 28 days prior notice of the Annual General Meeting (“AGM”) of the Company to maximise their attendance and to provide sufficient time to consider the resolutions that will be discussed and decided at the general meeting. Concurrently, the notice of AGM is advertised in a nationally circulated English daily newspaper. In order to facilitate informed decision by the shareholders, the notice of meeting is also accompanied by explanatory notes on the items of business to further explain the nature of business of the meeting.</p> <p>During the year 2021, the Notice of Fourth Annual General Meeting (“4<sup>th</sup> AGM”) of the Company was issued on 28 May 2021, which was more than 28 days’ notice prior to the 4<sup>th</sup> AGM held on 28 June 2021.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All Directors including the Chair of all the respective Board Committees had attended the last Annual General Meeting (“AGM”) to engage directly with shareholders and be accountable for their stewardship of the Company.</p> <p>In addition to the Directors, Senior Management and External Auditors were also in attendance to answer to the shareholders’ questions.</p> <p>The minutes of the AGM is made available to the shareholders and the public for viewing at the Company’s website <a href="https://mindaglobal.com.my/">https://mindaglobal.com.my/</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.3**

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company’s 4th Annual General Meeting (“AGM”) for the financial year ended 31 December 2020 has been conducted fully virtual.</p> <p>The AGM was conducted through live streaming and online poll voting whereby shareholders and proxies can access and participate remotely.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>Shareholders are encouraged to participate and vote remotely during the Company's Annual General Meeting ("AGM") using the Virtual Meeting Facilities. A registration link was provided to the shareholders in the Administrative Guide, which is released together with the Notice of AGM and made available on the Company's website and Bursa Malaysia's website.</p> <p>Prior to the AGM, the shareholders are allowed to submit any questions online by scanning the QR Code or click onto the link provided in the Administrative Guide. During the AGM, the shareholders are encouraged to submit typed questions in real time within the Q&amp;A Box at the bottom of the messaging screen. Any questions can be submitted at any time until the announcement of the closure of Q&amp;A session.</p> <p>The Directors and Management have answered all the questions submitted prior or during the meeting during the Q&amp;A session.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: All Directors and Senior Management had attended the fully virtual Annual General Meeting (“AGM”) held on 28 June 2021 to engage directly with shareholders and be accountable for their stewardship of the Company.  An Administrative Guide was released together with the Notice of AGM, whereby the shareholders are given an option to appoint proxy/proxies to participate and vote instead of shareholders themselves by submitting the Form of Proxy to the Registered Office of the Company not later than forty-eight (48 hours) before the time appointed for the taking of poll at the meeting or adjourned meeting.  The Company has appointed HMC Corporate Services Sdn Bhd (“HMC”) as Poll Administrator to conduct the poll by way of online voting and to provide a virtual meeting facility for the Fourth AGM held on 28 June 2021.  Prior to the AGM, the shareholders are allowed to submit any questions online by scanning the QR Code or click onto the link provided in the Administrative Guide. During the AGM, the shareholders are encouraged to submit typed questions in real time via the Q&A Box on the Virtual Meeting Facilities. Any questions can be submitted at any time until the announcement of the closure of Q&A session. The Directors and Management will address the questions submitted prior during the meeting accordingly.
<b>Explanation for departure</b>	:  

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

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



**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The minutes of Annual General Meeting (“AGM”) was uploaded on the Company’s website.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

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

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

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