

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7617
COMPANY NAME : MAGNA PRIMA 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference to assist the Board in the execution of its duties and responsibilities.</p> <p>The Board Committees include the Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee and Tender Committee. The respective Committees report to the Board on matters considered and their recommendation thereon.</p> <p>The ultimate responsibility for the final decision on all matters, however, lies with the Board.</p> <p>The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company's website at www.magnaprima.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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	:	Tan Sri Datuk Adzmi Bin Abdul Wahab, who is an Independent Non-Executive Director, Chairman of the Board. His profile is outlined in the Annual Report 2021. The key roles and responsibilities of the Chairman are set out in the Board Charter of 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

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman of the Board, the Group Managing Director and Executive Directors are held by different individuals and the roles and responsibilities are separate and clearly segregated to ensure an appropriate balance of authority, accountability and independence in decision making.</p> <p>During the financial year ended 31 December 2021, the Board is chaired by Tan Sri Datuk Adzmi Bin Abdul Wahab, whilst the Group Managing Director is Datuk Seri Rahadian Mahmud bin Mohammad Khalil who had resigned on 15 July 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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 :	The Chairman of the Board, Tan Sri Datuk Adzmi Bin Abdul Wahab is also the Chairman of Remuneration Committee and member of Nomination Committee and Audit Committee.
	The Board took cognisance that having the same person assume the position of chairman of the Board and member of other board committees gives rise to the risk of self-review and may impair the objectivity of the chairman and the Board when deliberating on the observations and recommendations put forth by the board committees. However, Tan Sri Datuk Adzmi Bin Abdul Wahab is not involved in management and operational matters of the Company, and he always provides constructive ideas and opinions to the Board and Board Committee respectively based on different perspectives as a Board Chairman and member of Board Committees.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by qualified and competent Company Secretaries, Mr. Tan Tong Lang and Ms. Thien Lee Mee. They are qualified to act as the Company Secretaries under Section 235(2) of the Companies Act 2016 and are member of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and Licensed Secretary ("LS").</p> <p>The Company Secretaries provide advice and assist the Board and Committees in achieving good corporate governance by ensuring compliance to statutory laws, legislation, regulatory requirements, listing requirements and other relevant rules and regulations.</p> <p>The Company Secretaries shall also maintain proper statutory records, register and documents for the Group which are essential to assist the Board to achieve, meet and discharge their fiduciary responsibilities in accordance with good corporate governance practice. In addition, the Company Secretaries are also responsible in ensuring proper conduct at the Annual General Meetings, Extraordinary General Meetings, Board Meetings, Board Committees' Meetings and any other meetings and the preparation of minutes thereat.</p> <p>All Board member have unrestricted access to the advice and services of the Company Secretaries in relation to the Board's affairs and the Group's business.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied	
Explanation on application of the practice	:	The agenda and board papers are circulated to the Board members prior to the Board meetings to allow sufficient time for the Directors to review, consider and deliberate knowledgeably on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision making.	
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 demarcation of responsibilities between the board, board committees and management.

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The three main components of the Board Charter are:-</p> <ul style="list-style-type: none">- The Corporate Statement;- The Directors' Duties ; and- The Board Committees <p>(i) The Corporate Statement</p> <p>Corporate Statement defines the objectives of the Company and the services offered to our customers. The Corporate Statement is a pledge of quality solutions to suit our customers' expectations.</p> <p>(ii) The Directors' Duties</p> <p>The fiduciary duties imposed on the Directors as stipulated in Section 231 (1) of the Companies Act 2016 are to protect the interests of the Company and at the same time to advance the interest of its stakeholders.</p> <p>(iii) The Board Committees</p> <p>The Board of the Company has established five Committees of the Board which operate within its own specific terms of reference. The Board Committees undertakes in-depth deliberation of the issues at hand before tabling its recommendations thereon to the Board. The five (5) Board Committees are as follows :-</p> <ul style="list-style-type: none">- Audit Committee;- Nomination Committee;- Remuneration Committee;- Tender Committee; and- Executive Committee (EXCO)
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	Code of Ethic a) All directors and employees shall strictly be prohibited from being engaged or interested either directly or indirectly in any trade business for monetary gain. b) All directors and employees shall not disclose any private, confidential or secret information, transaction, information related to the business or affairs of the Company to any person during the term of his employment. c) All directors and employees shall not at any time make any untrue or misleading statements in relation to the Company. d) Employee shall not conduct himself in an irresponsible manner. Conflicts of Interest All directors and employees shall not conduct themselves in such manner as likely to bring their private personal matters into conflict with their duties to the Group or to subordinate their duties in favour of their private personal matter. Harassment in the workplace The Company is committed to providing a work environment that is free of discrimination and unlawful harassment. Action, word, jokes or comments based on an individual's sex, race, ethnicity, age, religion, or any other legally protected characteristic will not be tolerated. Dealings in securities All directors or employees shall not use price sensitive non-public information, which can affect the prices of the securities of the Company and/or related listed companies when it becomes publicly known ("Inside Information"), for personal benefit. Directors and

	<p>employees are prohibited to trade in securities or to provide information to others to trade in securities of the Company and/or related listed companies until the inside information is publicly released.</p> <p><i>Environment, health and safety</i> The Group will use its best endeavours to ensure a safe workplace and maintain proper occupational health and safety practices to commensurate with the nature of the Group’s businesses and activities. The Group must not compromise the responsibility to its employees and the environment and must at all times comply with local laws.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Whistleblowing Policy. This will provide an avenue for the staff to raise concerns related to possible improprieties in matters of compliance and other malpractices in an appropriate manner and without fear of retaliation.</p> <p>The Whistleblowing Policy is aimed at protecting integrity, transparency, impartiality and accountability where the Group conducts its business operations.</p> <p>A copy of the Whistle-blowing Policy is available at the Company's website at www.magnaprima.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's sustainability governance structure is spearheaded by the Board of Directors ("Board"), who is responsible in overseeing the Group's overall sustainability performance.</p> <p>The Key Senior Management team comprises of the 2 Executive Directors report to the Board and are responsible for the oversight of sustainability practices, policies and procedures in improving sustainability performance.</p> <p>Despite challenging economic conditions amidst the uncertain political and pandemic-influenced climate, the Group maintained its efforts to improve business sustainability and stakeholder engagement in financial year ended 31 December 2021 ("FYE 2021"). The Management believes that sustainable success will only be attainable through collaborative efforts between the Group, its stakeholders and the community.</p> <p>The information on the Company's material issues along with its societal and environmental impacts and key sustainability initiatives are disclosed in the Sustainability Statement of the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 practice has been adopted and incorporated in the Company’s Sustainability Statement as disclosed in Annual Report 2021 of 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 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 Boards have sufficient understanding and knowledge of the sustainability issues that are relevant to the Company and its business, to discharge its role effectively. The measures that the Board has taken to attain a better and more sustainable future are disclosed in the Sustainability Statement of the Annual Report 2021.	
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	:	A study is required to developing the criteria for the performance evaluations of the Board and the Management to address the material sustainability risks and opportunities.	
		The Company does not have any alternative practice currently.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	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 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee ("NC") is empowered by the Board to review and evaluate the composition and performance of the Board annually as well as assessing qualified candidates to occupy Board positions. In executing its role to create and maintain a diverse Board, the NC adheres to the recruiting and sourcing process that seeks to include diverse candidates in any director search. The NC also assesses the appropriate mix of diversity including gender, age, skills, experience and expertise required on the Board and address gaps, if any.</p> <p>During the financial year, the NC had reviewed the composition of the Board in respect of its structure, size and the required mix of skills and experience; assessed the independence of the Independent Directors; and assessed and evaluated the performance of the Board, Board Committees and individual directors.</p> <p>The NC also assess the suitability and performance of the individuals who are standing for re-election on the Annual General Meeting ("AGM") through the performance evaluation carried out during the financial year under review.</p> <p>Based on the results obtained from the performance evaluation, the NC will recommend the individuals who standing for re-election to the Board for the approval to put forward the agenda during the AGM for the shareholders' approval.</p> <p>In addition, Tan Sri Datuk Adzmi Bin Abdul Wahab and Sazali Bin Saad have served the Board as an Independent Non-Executive Directors of the Company for more than 12 years since 2 May 2006 subject to shareholders' approval through a two-tier voting process at the Annual General Meeting as describe in the Practice 5.3 of the Malaysian Code on Corporate Governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	In 2021, the Board comprised of 8 Directors and 4 out of the 8 Directors namely, Tan Sri Datuk Adzmi Bin Abdul Wahab, Dato' Darawati Hussain, Sazali Bin Saad and Dato' Sri Hj Wan Adnan Bin Wan Mamat are Independent Non-Executive Directors. Such composition is able to provide independent and objective judgement to facilitate a balanced leadership in the Group as well as providing effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensuring high standards of conduct and integrity are maintained.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had obtained shareholders' approval at the 26th AGM held on 27 May 2021 to retain Tan Sri Datuk Adzmi Bin Abdul Wahab and En. Sazali Bin Saad who have served the Board for a cumulative term of more than twelve (12) years, to continue in office as an Independent Non-Executive Directors through a two-tier voting process.</p> <p>Presently, Tan Sri Datuk Adzmi Bin Abdul Wahab and En. Sazali Bin Saad was appointed as Independent Non-Executive Directors of the Company on 2 May 2006 and therefore, have served the Board in that capacity for a cumulative term of more than 12 years.</p> <p>The Board proposed to retain Tan Sri Datuk Adzmi Bin Abdul Wahab and En. Sazali Bin Saad, to continue to serve as an Independent Non-Executive Director, subject to the shareholders' approval through a two-tier voting process pursuant to the recommendation to the Malaysian Code on Corporate Governance at the forthcoming 27th AGM of the Company.</p> <p>The Nomination Committee and the Board have assessed their independence and is satisfied with the skills, contribution and independent judgement that they bring to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	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	:	<p>The appointment of new Directors is the responsibility of the full Board after considering the recommendations of the Nomination Committee ("NC") of the Company. As a whole, the Company maintains a very lean number of Board members. The Board appoints its members through a formal and transparent selection process which is consistent with the Constitution of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the NC. The NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.</p> <p>Generally, the Board adopts a flexible approach when selecting and appointing new directors depending on the circumstances and timing of the appointment. The NC will help assess and recommend to the Board, the candidature of directors, the appointment of directors to board committees, review of Board's succession plans and training programmes for the Board.</p> <p>In assessing suitability of candidates, consideration will be given to the core competencies, commitment, contribution and performance of the candidates to ensure that there is a range of skills, experience and diversity (including gender diversity) represented in addition to an understanding of the Business, the Markets and the Industry in which the Group operates and the accounting, finance and legal matters.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe :		
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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	:	Currently, the sources to identify suitably qualified candidates for appointment of directors are on recommendations from existing Board members, senior management or major shareholders. However, the Board and the Nomination Committee would not hesitate to utilise independent sources to identify suitably qualified candidates, where 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

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of the Board are published in the Annual Report of the Company which include their age, gender, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any.</p> <p>The performance of the Retiring Directors is assessed by the Nomination Committee (“NC”) and Board before recommendation is made to the shareholders for consideration.</p> <p>A statement of the Board is satisfied with the performance evaluation of the Retiring Directors, hence endorsed the recommendation of the NC for the Retiring Directors to be considered for re-election pursuant to the Company’s Constitution at the AGM, is disclosed in the Explanatory Notes of the Notice of the AGM enclosed in the Annual Report of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by En. Sazali Bin Saad, an Independent Non-Executive Director of 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

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	:	The Board currently consist of two Female Directors who are Dato' Darawati Hussain and Ms Tan Chin Yen. For any vacant Board position in the future, the Board when sourcing for suitable candidates, consideration is given to identify suitably qualified woman candidates in line with the recommendation of the Malaysian Code on 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 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on effective blend of competencies, skills, extensive experience, and knowledge to strengthen the Board should remain a priority.</p> <p>The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group.</p> <p>Currently, the Board has two (2) female Directors namely Dato' Darawati Hussain and Ms. Tan Chin Yen which in line towards achieving country's aspirational target of achieving 30% representation of women on boards.</p> <p>As for the Group's Diversity Policy, it is disclosed in the Corporate Governance Overview Statement of the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to 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	: The Nomination Committee (“NC”) would conduct an assessment of the performance of the Board, as a whole, Board Committees and individual Directors, based on a self-assessment approach on an annually basis. From the results of the assessment, including the mix of skills and experience possessed by Directors, the Board will consider and approve the recommendations on the re-election and re-appointment of Directors at the forthcoming Annual General Meeting of the Company, with a view to meeting current and future requirements of the Group. The criteria used by the NC in evaluating the performance of an individual, including contribution to interaction, integrity, competency and time commitment of the members of the Board and Board Committees in discharging their duties, are in a set of questionnaires. The results of the evaluation were summarised by the Company Secretary and discussed by the NC which were then reported to the Board. The Board did not engage any external party to undertake an independent assessment of the Directors. Based on the assessment conducted for the financial year ended 31 December 2021, the Board and the NC is satisfied with the current composition of Board members and believes that it is well balanced with the right mix of high-calibre individuals with the necessary skills and qualifications, credibility and independence to discharge its duties and responsibilities effectively.
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 7.1

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The scope and functions of the Remuneration Committee includes the establishment and recommendation of remuneration structure and policy for its executive director are stated in its Terms of Reference of the Remuneration Committee.</p> <p>There is no formal structure and policy have been established at this juncture. However, the current remuneration package is generally benchmark against other market players and structured according to the skills, experience as well as the performance of relevant executive director.</p> <p>Moving forward, the Remuneration Committee shall consider to establish and recommend to the Board a formal remuneration structure and policy for its executive director.</p> <p>As for the remuneration package of the Company’s senior management, the Remuneration Committee shall delegate the responsibility to the executive director accordingly.</p>	
<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 7.2

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	:	In line with the MCCG, the Board has established the Remuneration Committee ("RC") which comprise majority of Independent Non-Executive Directors, with the responsibilities to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. The Terms of Reference of the RC can be viewed at the Company's website at www.magnaprima.com.my .
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 detailed disclosure on the remuneration of individual Directors which include fees, salaries, benefits in kind and other emoluments received during the financial year ended 31 December 2021 are disclosed 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	Datuk Seri Rahadian Mahmud bin Mahmud Khalil (resigned on 15 July 2021)	Executive Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Tan Chin Yen (appointed on 8 March 2021)	Executive Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Le Chin Cheh (appointed on 8 March 2021)	Executive Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Ho Wen Yan	Non-Executive Non-Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Chang Chee Kok	Non-Executive Non-Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Tan Sri Datuk Adzmi bin Abdul Wahab	Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Sazali bin Saad	Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Dato' Darawati Hussain	Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Dato' Sri Hj Wan Adnan Bin Wan Mamat (appointed on 8 July 2021)	Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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

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	:	<p>The Company opts not to disclose the Senior Management's remuneration components (salary, bonus, benefits-in-kind and other emoluments) on a named basis as it is not in the best interest of the Company and Senior Management personnel to disclosure of their personal data to the public at large.</p> <p>Nonetheless, the remuneration of senior management is disclosed on the Annual report 2021 in the range of remuneration without reflecting the names of the individuals.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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 Chairperson of Audit Committee is Dato' Darawati Hussain. She is not the Chairperson of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company recognised the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise.</p> <p>Currently, none of the members of the Board are former key audit partners of the Company.</p> <p>The policy is reflected in the Terms of Reference of Audit Committee.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The AC has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the AC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the AC.</p> <p>To assess or determine the suitability and independence of the External Auditors, the AC has taken into consideration of, among others, the following:</p> <ul style="list-style-type: none">i) the adequacy of the competency, experience and quality of the External Auditors;ii) the External Auditor's resource capacity and ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;iii) the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; andiv) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors. <p>Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the Annual General Meeting on the recommendation of the AC and the Board. The External Auditors are being invited to attend the Annual General Meeting of the Company to respond and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.</p>

	<p>In presenting the Audit Planning Memorandum to the AC, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by the External Auditors. The External Auditors have also provided the required independence declaration to the AC and the Board for the financial year ended 31 December 2021.</p>	
<p>Explanation for departure</p>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	:	
<p>Timeframe</p>	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee of the Company is comprised solely 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.

Application	:	Applied
Explanation on application of the practice	:	Collectively, the members of the Audit Committee ("AC") have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the AC. The qualification and experience of the individual AC members are disclosed in the Directors' Profile of this Annual Report. During the financial year ended 31 December 2021, the members of the AC had undertaken the relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively.
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	:	<p>The Group is fully aware of its overall responsibility to continuously maintain a sound system for risk management and internal controls which covers financial, operational and compliance. With this in mind, the Group has established an internal control system and risk management framework which is adopted by Group and all its business units to ensure the effectiveness of identification, analysis, assessment, monitoring and communication of risks and internal control issues that will allow the Group to safeguard shareholders, investments and assets by mitigating losses and maximising opportunities.</p> <p>The Statement on Risk Management and Internal Control in the Company's Annual Report provides further details on the state of system of internal controls and risk management framework of the Group in financial year 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The features of the Group’s risk management and internal control framework and the adequacy and effectiveness of this framework is disclosed in the Statement of Risk Management and Internal Control which can be found in the Company’s Annual Report 2021.	
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	:	Not Adopted
Explanation on adoption of the practice	:	

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 Group's internal audit function is carried out by an outsourced internal audit firm which is independent of the activities of audits, namely Vaersa Advisory Sdn. Bhd. The internal auditor reports directly to the ARMC and has direct access to the Board through the Chairperson of the Audit Committee ("AC"). The internal auditor reports to AC on the effectiveness of internal control of the Company annually. The report also provided the findings and recommendation for the Company for internal control improvement. Details of the internal audit function are set out in the AC Report in the Annual Report 2021.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has appointed an established external professional Internal Audit firm namely Vaersa Advisory Sdn. Bhd., which has 3 personnel with relevant qualifications and/or experience in internal auditing.</p> <p>Vaersa Advisory Sdn. Bhd. engagement directors in charge of the Group's internal audit is Quincy Gan who is a member of the Institute Internal Auditors Malaysia.</p> <p>Further details are disclosed in the Audit Committee Report of the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of on-going engagement and communication with stakeholders and to ensure that communication is timely, regular, transparent and effective.</p> <p>The Group has established a dedicated section for Investor Information on the Group's website at www.magnaprima.com.my where shareholders as well as members of the public may access the latest information on the Group. Information is also communicated through the following channels:</p> <ul style="list-style-type: none">i) Various disclosures and announcements to Bursa Securities including quarterly results;ii) Press releases and announcements to Bursa Securities and to the Media;iii) Publication of the Group's Annual Report;iv) Conduct Annual General Meetings; andv) Social media and other electronic channels.
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 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>As recommended by the MCCG, the notice of Annual General Meeting (“AGM”) will be despatched to shareholders at least 28 days before the AGM, to allow shareholders to have additional time to go through the Annual Report and make the necessary attendance and voting arrangements.</p> <p>The Notice of Twenty-Sixth (“26th”) AGM held on 27 May 2021 was issued the shareholders on 28 April 2021, which is more than 28 days before the 26th AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	In light of the coronavirus outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of the Board, employees and shareholders of the Company, the Company's Twenty-Sixth ("26 th ") AGM held on 27 May 2021 was conducted by way of fully virtual basis and entirely via the Remote Participation and Voting ("RPV") Facilities. At the 26 th AGM of the Company held on 27 May 2021, all the Directors have attended the said AGM to engage directly with shareholders, and be accountable for their stewardship of 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

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Annual General Meetings (“AGM”) of the Company are always held at an easily accessible venue to facilitate high shareholders’ attendance. Shareholders who are unable to attend general meetings may appoint any persons as their proxies to attend, speak and vote on their behalf at the general meetings in accordance with the relevant provisions of the Constitution.</p> <p>At its 26th AGM held on 27 May 2021, the Company had leveraged technology to convene its AGM as a fully virtual meeting conducted via live streaming, where members had joined the AGM online, and also voted electronically using the Remote Participation and Voting (“RPV”) facility.</p> <p>In view of the COVID-19 outbreak, shareholders were advised to take advantage of the RPV facility. Detailed procedures were provided to shareholders in the Administrative Guide to shareholders available on the Company’s website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 :	<p>The Chairman has successfully created a meaningful engagement with the Board, Senior Management and Shareholders throughout the 26th AGM. All the Directors and the members of the Key Senior Management of the Company were present at the 26th AGM to provide responses to the questions posed by shareholders.</p> <p>Sufficient time and opportunity were made available for shareholders to pose questions during the 26th AGM.</p> <p>Those questions which were not responded during the 26th AGM were responded to by the Company via e-mail after the 26th AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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>	
Application	: Applied
Explanation on application of the practice	: <p>In view of the COVID-19 pandemic, the Company had convened its Twenty-Sixth (26th) Annual General Meeting (“AGM”) as a fully virtual meeting conducted via live streaming.</p> <p>The Company had provided an Administrative Guide to the shareholders, which set out the procedures and requirements for Remote Participation and Voting (“RPV”) facilities. Shareholders and proxies that successfully registered for RPV were able to submit their questions electronically via https://rebrand.ly/MagnaAGM before and during the AGM.</p> <p>Shareholders/proxies had joined the AGM online, and also voted electronically using the Remote Participation and Voting (“RPV”) facility provided by Mlabs Resources Sdn. Bhd.</p> <p>All questions posed by shareholders were visible to all meeting participants during the meeting itself via the RPV facility. The Chairman had assigned the Executive Directors to answer all the questions raised. For questions that need more time and more information, the management had replied via email to the respective shareholders/proxies after the meeting.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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 General Meeting is published on the Company's corporate website pursuant to the Malaysian Code on 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	:

**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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