

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Malaysia Airports (the Board) maintains high level of commitment to carrying out its oversight roles on the strategic direction, management activity, and remains dedicated to promoting sound corporate governance practices and a culture of integrity as well as transparency throughout the Group. The Board believes that good corporate governance is of utmost importance for charting MAHB Group's (the Group) strategic direction and guiding decision-making processes, and to continuously achieving sustainable long-term value for the stakeholders.

During the year under review, Malaysia Airports upheld compliance with the following statutory and regulatory requirements, guidelines, and governance best practices:

- Companies Act 2016.
- Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Securities).
- Malaysian Code on Corporate Governance 2017 (MCCG 2017).
- Corporate Governance Guide 3rd Edition 2017 (CG Guide) published by Bursa Securities.
- The Green Book: Enhancing Board Effectiveness by the Putrajaya Committee on Government -Linked Companies (GLC) High Performance.
- Minority Shareholder Watch Group (MSWG)'s Malaysia-ASEAN Corporate Governance Scorecard.
- Corporate Disclosure Guide issued by Bursa Securities; and
- Developments in market practice and regulations.

As recognitions of its consistency and continuous efforts in enhancing high standards of corporate governance and

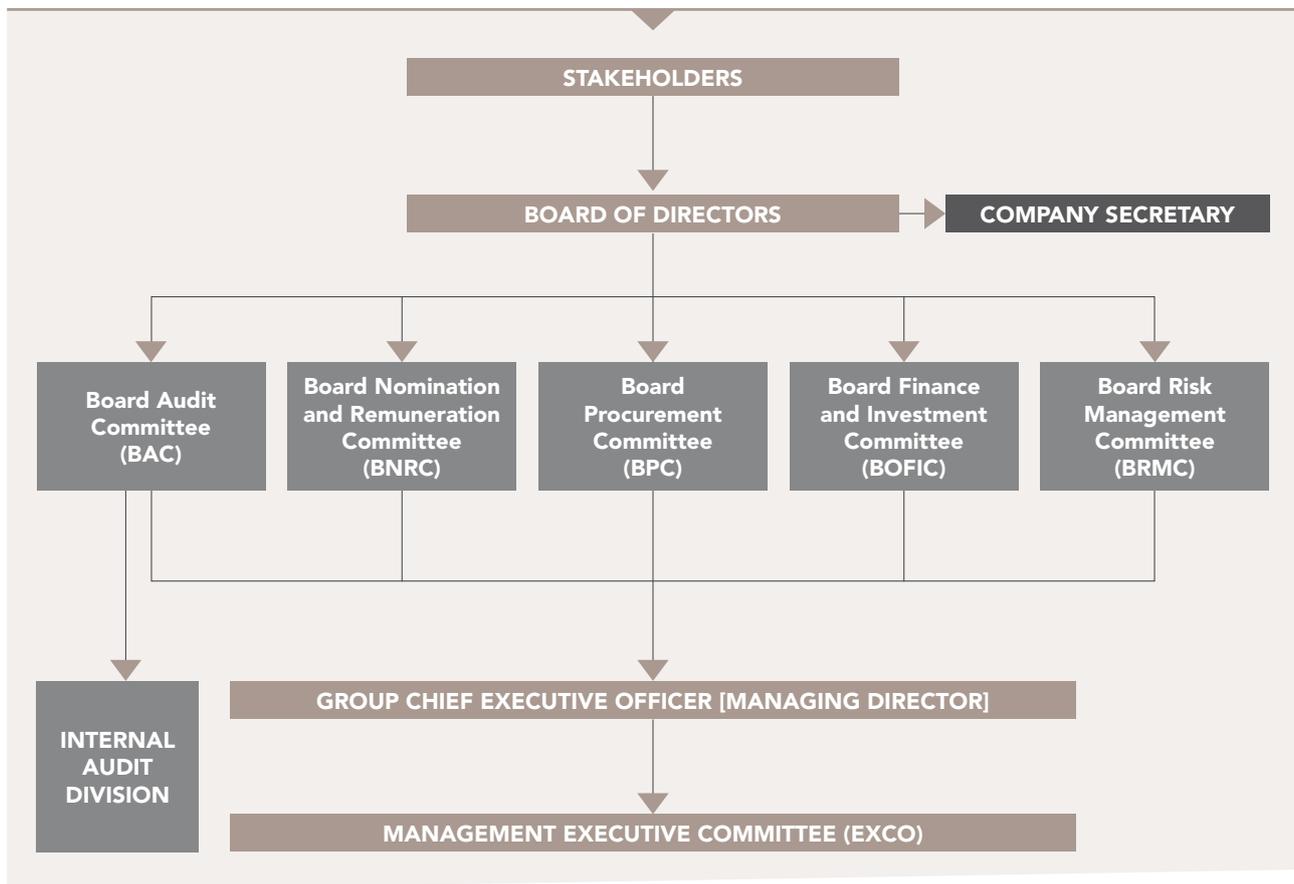
ethical conduct, Malaysia Airports had been conferred with, amongst others, the following awards in 2020:

- 2019 ASEAN Corporate Governance Scorecard Award & ASEAN Asset Class PLCs by Minority Shareholders Watch Group (MSWG).
- Sustainability & CSR Malaysia Award by CSR Malaysia.
- Malaysia Law Awards 2020, Transportation, and Logistic. In-House Team of the Year by Asian Legal Business (ALB).
- International ARC Awards, Non-Traditional Annual Report (Gold) by ARC Awards.
- International Annual Report Design Awards, IADA 2020 (Silver) by The International Annual Report Design Awards (IADA).

We are pleased to present our application and adoption of the recommendation and practices of MCCG 2017 throughout this statement. We hope that the information will assist you to understand on how the Board steers the Company, performs its oversight roles on risk management and internal controls and decisions are made.

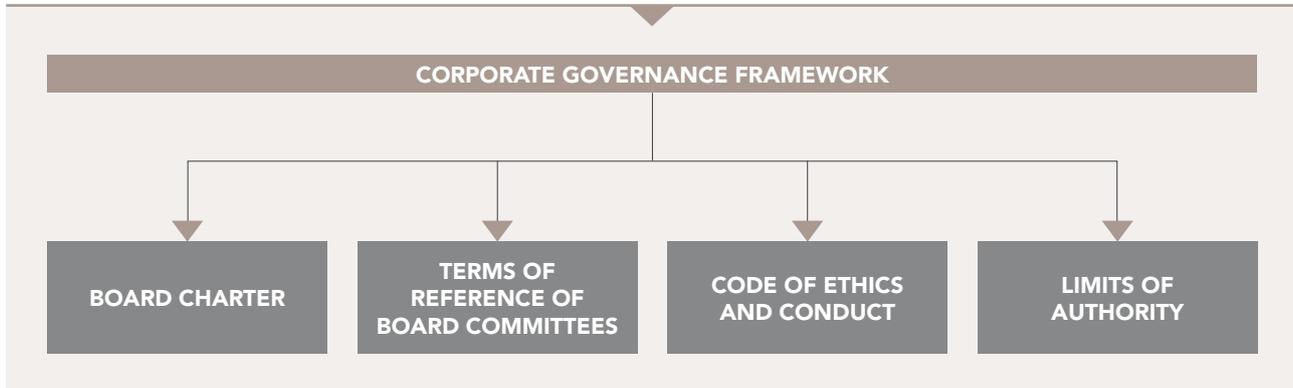
CORPORATE GOVERNANCE FRAMEWORK

Malaysia Airports operates with a clear and effective governance structure. With continuous guidance by the Board, the corporate governance structure remains robust and effective across the Group. Responsibility for good governance lies with the Board, and to ensure the effective discharge of its functions and responsibilities, the Board delegates its powers to the relevant Board Committees and Group Chief Executive Officer [Managing Director] as well as the Management Executive Committee (EXCO). The Board, in implementing corporate governance, ensures its accountability to the Company's shareholders and other stakeholders. Malaysia Airports' Corporate Governance Framework can be illustrated as follows:



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The following are key components of Malaysia Airports' Corporate Governance Framework:



The Board reviews the above Corporate Governance Framework periodically. The Board also regularly assesses and enhances its Corporate Governance Framework, practices, and principles to keep abreast with developments in regulatory environment, international best practices, as well as the Company's business needs.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Board

The Board is entrusted with the tasks of promoting the success of Malaysia Airports by steering and monitoring its affairs in a responsible and effective manner. Each member of the Board has a duty to act in good faith as well as in the best interest of the Group. In discharging its duties and responsibilities, the Board is cognisant of the key roles it plays in charting the strategic direction of the Group and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- To determine the Company's long-term direction, formulate business objectives and strategies, including strategies that promote sustainability.
- To ensure that it has adequate resources to meet its objectives and that it maintains an effective/sound risk management framework.
- To review and implement the Company's internal control system.
- To monitor its performance and ensure that it acts ethically in meeting its responsibilities to shareholders and other stakeholders.
- To decide and approve matters relating to long-term strategy and objectives, capital and operating plans, major investments and disposals, funding and dividend strategy, as well as quarterly and annual financial results and statements.

Chairman, Group Chief Executive Officer (GCEO) [Managing Director] and Senior Independent Director

To ensure an effective discharge of responsibilities, there is a clear division of responsibilities between the running of the Board, and the executives responsible for the running of the day-to-day business operations of the Group. This division of responsibilities helps ensure objectivity between the functions of the Board and Senior Management.

Consistent with Practice 1.3 of MCCG 2017, the positions of Chairman, Senior Independent Director and GCEO [MD] of the Company are held by different individuals. The distinct and separate roles of the Chairman who heads the Board, Senior Independent Director who is a point of contact for shareholders and other stakeholders, and GCEO [MD] who leads the Senior Management ensures a balance of power and authority, which in turn ensures high level of corporate governance and no individual has unfettered decision-making power. The respective roles of the Chairman, Senior Independent Director, GCEO [MD], and their division of responsibilities are tabulated below:

ROLES OF CHAIRMAN



DATO' SERI DIRAJA DR. ZAMBRY ABD. KADIR
CHAIRMAN

- Lead the Board in setting values and governance standards of the Company.
- Maintain a relationship of trust with and between Board members.
- Ensure the provision of accurate, timely and clear information to Directors.
- Ensure effective communication with shareholders and other stakeholders.
- Act as facilitator for meetings to ensure: -
 - adequate notice of meetings.
 - adequacy of information for Board meetings.
 - no member dominates the discussion.
 - full discussion takes place.
 - variety of opinion among Board members is drawn out.
 - outcome of discussions results in logical and coherent policy to guide the GCEO [MD] which the performance of the Company can be monitored; and
- consensus is obtained in Board meetings and when necessary, to call for vote.
- Arrange regular evaluation of the performance of the Board, Board Committees and GCEO [MD].
- Facilitate effective contribution from Board members and ensure constructive relations be maintained between them.
- Create the conditions required for the effectiveness of the Board and individual Directors, both inside and outside the boardroom including the appropriate balance of power, level of accountability and independent decision making.
- Lead discussions among Board members.
- Build a cohesive leadership team consisting of the Board and Senior Management.
- Delegate responsibilities to other Directors, Board Committees and Senior Management.

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ROLES OF SENIOR INDEPENDENT DIRECTOR



**DATUK SERI
YAM KONG CHOY**
SENIOR INDEPENDENT DIRECTOR

- ▶ Serve as a point of contact for shareholders and other stakeholders to voice their concerns relating to the affairs of the Group.
- ▶ Chair Board meetings when the Chairman is absent or fail to arrive within 15 minutes or if the Chairman is required to be excused from the meeting.
- ▶ Review the notification by the Chairman on acceptance of new directorship in other companies.
- ▶ Lead the Board Performance Evaluation on the Chairman.
- ▶ Advise the Board if there is any potential conflict of interest by the Chairman.
- ▶ Perform such duties as the Board may establish; and
- ▶ Encourage dialogue session between Independent Directors and Senior Management.

The Senior Independent Director can be contacted via e-mail at sid@malaysiaairports.com.my.

ROLES OF GCEO [MD]



**DATO' MOHD
SHUKRIE MOHD
SALLEH**
GROUP CHIEF EXECUTIVE
OFFICER

- ▶ Not a member of the Board.
- ▶ Lead the day-to-day management of the Group and chairs the EXCO. The EXCO meets regularly to deliberate on matters pertaining to the running and managing of the Company and the Group.
- ▶ Responsible for implementing policies, strategies and decisions adopted and agreed by the Board.
- ▶ Provide a structure that facilitates clear reporting to the Board with high quality information and recommendations to enable informed decisions in all aspects of the Company's business operations and strategic plan.
- ▶ Answerable to the Board for the achievement of the agreed goals within the limits of authority granted by the Board.
- ▶ Report to and advise the Board on: -
 - all matters that materially affect the Company and its performance including any potential strategic or significant development prospects.
 - any underperforming business or activities of the Company and outline proposals to rectify the situation; and
 - all material matters that affect or could affect shareholders and the markets in which the shareholders' interests are placed.
- ▶ Regularly review the succession plan for Senior Management with the Chairman and Board members.
- ▶ Represent the Company to major customers, employees, suppliers, and professional associations.

Board Committees

In order to provide effective oversight and leadership, our Board is assisted by five (5) Board Committees. Similar to the Board, each Board Committee is supported by the Company Secretary and has access to independent advice and counsel as required for the performance of their duties.

BOARD NOMINATION AND REMUNERATION COMMITTEE (BNRC)



CHAIRMAN

Datuk Azailiza Mohd Ahad

Independent Non-Executive Director

MEMBERS

- **Wong Shu Hsien**
Non-Independent Non-Executive Director
- **Datuk Seri Yam Kong Choy**
Senior Independent Non-Executive Director
- **Datuk Zalekha Hassan**
Independent Non-Executive Director

Key Functions

Determines criteria for Board or Board Committees' membership, structure, responsibilities, and effectiveness; reviews the term of office and performance of the Board, Board Committees, individual Director, and GCEO [MD]; formulates and reviews the policies and procedures on human resource with regards to recruitment, appointment, promotion, and transfer of Senior Management.

Reviews, assesses, and recommends to the Board, remuneration packages of GCEO [MD], Company Secretary and Senior Management as well as matters relating to employees of the Group, limited to Collective Agreement for Non-Executives, Terms and Conditions of Executives, quantum of bonus and annual increment for employees.

Composition

BNRC shall comprise at least three (3) members, all of whom shall be Non-Executive Directors (NEDs) with majority being Independent Non-Executive Directors (INEDs). Majority of BNRC members currently consist of INEDs.

BOARD AUDIT COMMITTEE (BAC)



CHAIRMAN

Rosli Abdullah

Independent Non-Executive Director

MEMBERS

- **Wong Shu Hsien**
Non-Independent Non-Executive Director
- **Dato' Ir. Mohamad Husin**
Independent Non-Executive Director
- **Datuk Azailiza Mohd Ahad**
Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Key Functions

Reviews and evaluates performance of external auditors and Internal Audit Division in ensuring efficiency and effectiveness of the Company's operations, adequacy of internal control system, compliance with established policies and procedures, transparency in decision-making process and accountability of financial and management information. Reviews related party transactions.

Composition

BAC shall comprise no fewer than four (4) members, all of whom are NEDs with majority being INEDs. At least one (1) member must be a member of the Malaysian Institute of Accountants or possesses the working experience and qualification as prescribed under Paragraph 15.09(1)(c)(ii) of the Listing Requirements of Bursa Securities.

BAC currently comprises majority INEDs and its Chairman is a member of the Malaysian Institute of Accountants.

BOARD FINANCE AND INVESTMENT COMMITTEE (BOFIC)



CHAIRMAN

Datuk Seri Yam Kong Choy

Senior Independent Non-Executive Director

MEMBERS

➤ **Dato' Zamzuri Abdul Aziz**

Non-Independent Non-Executive Director

➤ **Wong Shu Hsien**

Non-Independent Non-Executive Director

➤ **Dato' Mohamad Nasir Ab Latif**

Non-Independent Non-Executive Director

➤ **Datuk Azailiza Mohd Ahad**

Independent Non-Executive Director

Key Functions

Reviews and monitors financial investment portfolio of the Group; reviews, evaluates, and assesses prospective investments/divestments, new businesses, projects, and overseas ventures, taking into consideration factors such as strategic rationale, return on investment and resource requirements of those prospects, and make appropriate recommendations to the Board.

Reviews and monitors the progress of all capital projects against the approved project schedule and budget to ensure all deliverables are within schedule and budget. Capital projects include construction of new airports, land development projects and any other expansion projects for domestic and foreign airports.

Composition

BOFIC shall comprise no fewer than four (4) members and at least one (1) member must be an INED. The composition of BOFIC currently consists of two (2) INEDs.

BOARD PROCUREMENT COMMITTEE (BPC)



CHAIRMAN

Datuk Zalekha Hassan

Independent Non-Executive Director

MEMBERS

➤ **Dato' Zamzuri Abdul Aziz**

Non-Independent Non-Executive Director

➤ **Dato' Ir. Mohamad Husin**

Independent Non-Executive Director

➤ **Ramanathan Sathiamutty**

Independent Non-Executive Director

Key Functions

Reviews and approves the Group's procurement value of above RM10 million up to RM200 million, tender evaluation criteria and selection tendering methods and list of selected tenderers. Reviews and recommends to the Board any of the Group's procurement value of above RM200 million.

Reviews and approves procurement policies, procedures, and limits as well as oversees and monitors the efficiency and effectiveness of procurement processes, and support of national development objectives.

Composition

BPC shall comprise at least three (3) members made up of both INEDs and Non-Independent Non-Executive Directors (NINEDs). The BPC currently comprises a majority of INEDs.

BOARD RISK MANAGEMENT COMMITTEE (BRMC)



CHAIRMAN

Dato' Mohamad Nasir Ab. Latif

Non-Independent Non-Executive Director

MEMBERS

➤ **Datuk Zalekha Hassan**

Independent Non-Executive Director

➤ **Rosli Abdullah**

Independent Non-Executive Director

➤ **Ramanathan Sathiamutty**

Independent Non-Executive Director

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Key Functions

Reviews and recommends to the Board on the strategies, framework and policies of the Group in relation to risk management and compliance framework, occupational safety and health, safety management system, aviation security, information security, and cybersecurity.

Reviews and recommends to the Board the corporate risk profile, enterprise risk management framework, business continuity plan, cybersecurity, and IT incident management plan, including relevant insurance, policies, and systems.

Oversees Senior Management's responsibility in managing risks and ensure that risk monitoring process is in place and functioning.

Composition

BRMC shall comprise at least four (4) members made up of both INEDs and NINEDs. BRMC currently comprises a majority of INEDs.

The Terms of Reference (TOR) of each Board Committee are available at Malaysia Airports' website at www.malaysiaairports.com.my. The summary of the TOR and activities of BAC during the year under review are set out in the BAC Report on pages 189-192 of this Annual Report.

Except for BAC which reviews its TOR on an annual basis, other Board Committees review their TOR once in two years.

The Chairmen and members of each Board Committee are appointed by the Board. As part of the Company's corporate governance practice, during each Board meeting, the Chairmen of the respective Board Committees will brief on the deliberation and outcome of the Board Committee meetings held prior to each Board meeting. The minutes of the Board Committee meetings would be tabled to the Board for information. This would enable the Board to provide its comments or views on all deliberations and decisions of the Board Committees.

Information on Board and Board Committees' meetings and attendance in 2020

Attendance at the Board Meetings

Throughout 2020, all Board members attended more than 50% of the Board meetings held during the financial year and complied with Paragraph 15.05 (3)(c) of the Listing Requirements and the provision of the Constitution of the Company. The calculation of percentage of attendance is based on each Director's date of appointment.

Board and Board Committee meetings for the following financial year are scheduled in advance before the end of the present financial year to enable the Directors to plan accordingly and fit the year's meetings into their schedules. As and when required, Special Board meetings may be held to consider urgent proposals or matters that require urgent decision or deliberation by the Board. Special Board meetings are normally held without tabling the minutes or matters arising from previous meetings.

As a permanent agenda of Board and Board Committee meetings, the Directors have a duty to declare should they have any interest, whether directly or indirectly, on any agenda item or transaction proposed to be entered into by the Company. An interested Director shall abstain from deliberation and decision making on the said agenda item or transaction. In the event a corporate proposal is required to be approved by the shareholders, any interested Director shall abstain from voting on the resolutions relating to the corporate proposals and shall further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions.

In 2020, there were sixteen (16) Board meetings held, of which six (6) were Special Board meetings. The attendance of Directors at the Board meetings held during the financial year ended 31 December 2020 is as tabulated below:

Directors	Number of Board Meetings attended/held (during the Directors' Tenure)
Dato' Seri Diraja Dr. Zambry Abd. Kadir ¹ <i>Non-Independent Non-Executive Chairman</i>	7 out of 7
Tan Sri Datuk Zainun Ali ² <i>Non-Independent Non-Executive Chairman</i>	9 out of 9
Dato' Zamzuri Abdul Aziz ³ <i>Non-Independent Non-Executive Director (or his alternate, Dato' Dr. Amiruddin Muhamed)</i>	12 out of 12
Dato' Jana Santhiran Muniayan ⁴ <i>Non-Independent Non-Executive Director</i>	15 out of 16
Wong Shu Hsien <i>Non-Independent Non-Executive Director</i>	16 out of 16
Hajah Jamilah Dato' Hashim ⁵ <i>Non-Independent Non-Executive Director</i>	12 out of 12
Dato' Mohamad Nasir Ab. Latif ⁶ <i>Non-Independent Non-Executive Director</i>	4 out of 4
Datuk Seri Yam Kong Choy <i>Senior Independent Non-Executive Director</i>	16 out of 16
Datuk Zalekha Hassan <i>Independent Non-Executive Director</i>	16 out of 16
Rosli Abdullah <i>Independent Non-Executive Director</i>	16 out of 16
Dato' Ir. Mohamad Husin <i>Independent Non-Executive Director</i>	16 out of 16
Datuk Azailiza Mohd Ahad <i>Independent Non-Executive Director</i>	16 out of 16
Ramanathan Sathiamutty <i>Independent Non-Executive Director</i>	16 out of 16

Notes:

1. Appointed with effect from 12 August 2020.
2. Resigned with effect from 11 August 2020.
3. Appointed with effect from 10 February 2020.
4. Resigned with effect from 4 January 2021.
5. Resigned with effect from 30 September 2020.
6. Appointed with effect from 1 October 2020.

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Attendance at Board Committee Meetings

The attendance of members at the Board Committee meetings held during the financial year ended 31 December 2020 is as detailed below:

Director	BAC	BNRC	BOFIC	BRMC	BPC
Non-Independent Non-Executive Director					
Attendance					
Dato' Zamzuri Abdul Aziz ¹ (or his alternate, Dato' Dr. Amiruddin Muhamed)	-	-	5/5	-	9/10
Dato' Jana Santhiran Muniayan ²	-	-	-	5/5	-
Wong Shu Hsien	7/7	8/8	6/6	-	-
Hajah Jamilah Dato' Hashim ³	-	-	-	4/4	9/9
Dato' Mohamad Nasir Ab. Latif ⁴	-	-	-	1/1	-
Senior Independent Non-Executive Director					
Datuk Seri Yam Kong Choy	-	8/8	6/6	-	-
Independent Non-Executive Director					
Datuk Zalekha Hassan	-	8/8	-	5/5	12/12
Rosli Abdullah	7/7	-	-	5/5	-
Dato' Ir Mohamad Husin ⁵	7/7	-	1/1	-	12/12
Datuk Azailiza Mohd Ahad	7/7	8/8	6/6	-	-
Ramanathan Sathiamutty ⁶	-	-	1/1	5/5	10/10
Number of meetings held in financial year 2020	7	8	6	5	12

Notes:

1. Appointed as Member of BOFIC and BPC with effect from 28 February 2020.
2. Resigned as Member of BRMC with effect from 4 January 2021.
3. Resigned as Chairman of BRMC and Member of BPC with effect from 30 September 2020.
4. Appointed as Chairman of BRMC and Member of BOFIC with effect from 30 November 2020.
5. Resigned as Member of BOFIC with effect from 28 February 2020.
6. Appointed as Member of BPC with effect from 28 February 2020 and resigned as Member of BOFIC with effect from 28 February 2020.

Activities performed by the Board and Board Committees during the financial year ended 31 December 2020 include:

Main Board/Board Committees	Main Areas of Oversight	Activities
<p>Board</p> <ul style="list-style-type: none"> Comprises ten (10) members of whom six (6) are INEDs 	<p>The Board is responsible for the following:</p> <ul style="list-style-type: none"> Overall strategy, vision, values, and governance framework of the Group. The Company's Annual Audited Financial Statements and Quarterly Financial Statements. Approval of payment of dividend and the Company's dividend policy. The Group's annual budget and any amendment to allocation, borrowing and security, acquisitions and disposals of tangible/non-tangible assets and capital expenditure over a specified amount. Company's long-term financial plan and annual capital expenditure programme. Approval of any significant change in accounting policies and practices. Approval of all circulars, resolutions and corresponding documentation sent to stakeholders. Approval of changes in the capital structure of the Company with regards to issuance or allotment of shares or other securities, or its status as a public listed company. Appointment or removal of the GCEO [MD] and the Company Secretary. Recommendation to shareholders for the appointment, re-appointment, or removal of the external auditors. Appointment, re-appointment, or removal of Directors and recommendation for re-election prior to tabling to shareholders during Annual General Meetings. Approval for establishment of Board Committees, their terms of reference, review of their activities and where appropriate, ratification of their decisions. 	<p>Sixteen (16) meetings were held in 2020 to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> Malaysia Airports' Group Budget. Malaysia Airports Group 5-Year Strategy and Transformation Plan. Cumulative full year results for the financial year ended 31 December 2019 and approve the Directors' Report and Audited Accounts for the financial year ended 31 December 2019. Quarterly Result Announcements. Group performance and capital expenditure. Group's strategy including airport and business expansion plan. Corporate Risk Profile. Malaysia Airports Cash Recovery Program. Revision of Internal Policies. Change of Limit of Authority. Big Data Analytics and Digital Moving Forward Strategy. Corporate Scorecard and Key Performance Indicators (KPIs) of the Senior Management for 2020 and 2021. Board Performance Evaluation for 2019 as well as review the Board Improvement Plan. Major litigation claims and issues with substantial financial impact. Updates on stakeholder communications and engagement strategy.

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Main Board/Board Committees	Main Areas of Oversight	Activities
<p>Board Nomination and Remuneration Committee (BNRC)</p> <ul style="list-style-type: none"> Comprises four (4) members of whom three (3) are INEDs 	<p>BNRC is responsible for the following:</p> <ul style="list-style-type: none"> Composition of Board, Board Committees and Boards of subsidiaries. Review and implement Board Performance Evaluation. Review Succession Planning for Board, Board Committees, GCEO [MD] and Senior Management. Review the Malaysia Airports Group's overall organisational structure. Review remuneration packages and benefits for the Directors, GCEO [MD] and Senior Management Review Malaysia Airports' Corporate Scorecard and Key Performance Indicator ("KPI") for CEO [MD] and Senior Management. Review and approve matters relating to employees of Malaysia Airports Group, limited to Collective Agreement for Non-Executives, Terms and Conditions of Executives and staff bonus and annual salary increment. 	<p>Eight (8) meetings were held in 2020 to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> Composition of Board, Board Committees and Boards of subsidiaries. Board Performance Evaluation. Review the Board Improvement Plan, Directors trainings and Board Governance matter. Remuneration of Board, GCEO and Senior Management. Establishment of Senior Management positions. Corporate Scorecard and Senior Management KPI setting. Board and Board Committee Succession Plan. Senior Management Succession Plan.

Main Board/Board Committees	Main Areas of Oversight	Activities
<p>Board Audit Committee (BAC)</p> <ul style="list-style-type: none"> Comprises of four (4) members of whom three (3) are INEDs 	<p>BAC is responsible for the following:</p> <ul style="list-style-type: none"> Review the quarterly results and year-end financial statements of the Company and the Group prior to submission to the Board. Review and monitor the financial position and performance of the Group. Recommend to the Board the appointment of the external auditors, the audit fee and any questions of resignation or dismissal. Annual evaluation of the external auditors' performance to ensure continued independence, objectivity, and quality of audits. Oversee the internal audit functions, direct any special investigations to be carried out by the Internal Audit Division and consider major findings of internal investigations and management's response. Review and approve any related party transactions and conflict of interest situation that may arise including any transaction, procedure or course of conduct that raises questions of integrity. As an oversight of the whistleblowing programme. All matters pertaining to ethics, integrity, corruption, abuse of power and other scope covered under the MACC Act 2009 (including but not limited to that dealt with/ by Whistleblowing Independent Committee) shall be reported to BAC via Corporate Integrity Division. Assess the internal process for determining and managing key risks. Review the Statement of Risk Management and Internal Control prior to submission to the MAHB Board. 	<p>Seven (7) meetings were held in 2020 to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> Review of Board Audit Committee Report and Statement on Risk Management and Internal Control for Annual Report 2019. Review of quarterly results and financial statements for financial year ended 31 December 2019 of the Group. Review of performance of subsidiary companies. Revision of Terms of Reference Board Audit Committee. Internal Audit Plan 2020. Internal Audit Activities Progress 2020. Internal Audit New Reports. Follow Up Audit Activities – Outstanding Issues. Revision of Internal Audit Charter. Corporate Integrity Division Plan 2020 and Corporate Integrity Division Activity Report. Revision to Terms of Reference of Corporate Integrity Division. Report on Integrity Assessment and Integrity Plan Gap Analysis. Related Party Transactions. Performance Report on Anti-Bribery Management System. Status Update on Whistleblowing Programme. Appointment of New Whistleblowing Independent Committee Member. Revision of Whistleblowing Policy. Overall Big Data Analysis Project Status and Key Findings. Performance on Adequate Procedure for Prevention of Corruption. Corruption Risk Management Report. Organisation Anti-Corruption Plan Initiatives. Audit Plan 2021.

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Main Board/Board Committees	Main Areas of Oversight	Activities
<p>Board Finance and Investment Committee (BOFIC)</p> <ul style="list-style-type: none"> Comprises five (5) members of whom two (2) are INEDs 	<p>BOFIC is responsible for the following:</p> <ul style="list-style-type: none"> Review and monitor the financial investment policy and portfolios of the Group. Review, evaluate and assess prospective investments/divestments, new businesses, projects, and overseas ventures. Review and monitor the progress of all capital projects against the approved project schedule and budget. Review and monitor the performance of the overseas ventures. Review the Limit of Authority. Oversee current and future capital and financial resource requirement. 	<p>Six (6) meetings were held in 2020 to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> Land Development at KLIA Aeropolis and Subang Airport. Operationalisation of Digital Free Trade Zone. Concession of Gas District Cooling Plant in KL International Airport. Aviation Development Support Programme. Group's Limits of Authority. Performance Review of Overseas Ventures. Performance of Local Investment Portfolio. Terms of Reference of BOFIC.
<p>Board Procurement Committee (BPC)</p> <ul style="list-style-type: none"> Comprises four (4) members of whom three (3) are INEDs 	<ul style="list-style-type: none"> Review and recommend any changes to the Procurement Policies, Procedures & Guidelines to the Board, e.g., Procurement Financial Limit of Authority, Tender Procedure, Tender Evaluation Criteria. Review and approve procurement plan/mode and tendering method for procurement value above RM10 million to RM200 million. Recommend to the Board on award of tender above RM200 million. Review and approve extension of time (EOT) of projects. Approve the appointment of consultants above RM3 million and up to RM10 million. 	<p>Twelve (12) meetings were held in 2020 to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> Development of Digital Free Trade Zone. New Aircraft Parking Apron. Rehabilitation works of Runway 1. Replacement Plan Track Transit System. Baggage Handling System. Airport Collaborative Decision Making. Single Token Solution. Airport Integrated Security and Safety System. Toilet Facelift and Other Associated Works to Existing Passenger Toilets. Development of Airport Master Plan for Sultan Abdul Aziz Shah Airport. Tenancy of Retail/Service Outlets. Rental Relief and Remedies for Airport Business Operations and the Fast-Track Commercial Reset International Airport Tenants. Review on Procurement Plan.

Main Board/Board Committees	Main Areas of Oversight	Activities
<p>Board Risk Management Committee (BRMC)</p> <ul style="list-style-type: none"> Comprises of four (4) members of whom three (3) are INEDs 	<p>BRMC is responsible for the following:</p> <ul style="list-style-type: none"> Provide guidance to Senior Management to ensure effective risk management systems are in place. Review and recommend to the Board on the strategies, framework, and policies of the Group in relation to risk management and compliance, occupational safety and health, safety management, aviation security, information security and cyber security. Review and recommend to the Board the Corporate Risk Profile, Enterprise Risk Management Framework, Business Continuity Plan, Cybersecurity, and IT Incident Management Plan, including relevant insurance, policies, and systems. 	<p>Five (5) meetings were held in 2020 to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> Business Continuity Management Plan. Corporate Risk Profile 2020. Statement on Risk Management and Internal Control. Occupational Safety & Health. Corporate Quality Management. Airport Standard & Safety. Aviation Security. Compliance with Malaysian Aviation Commission's Quality of Service at KL International Airport. KLIA Network Disruption and Mitigation Actions. Impact of COVID-19 to MAHB Group and Risk Mitigation Initiatives. Insurance Renewal for MAHB Group. Terms of Reference of BMRC.

Board Composition

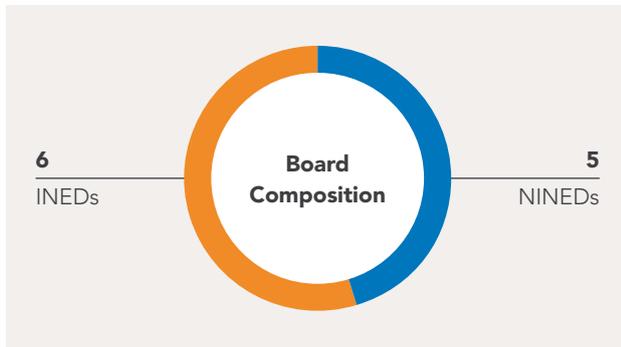
The Board currently comprises five (5) NINEDs and six (6) INEDs. The current Board composition complies with the provision of the Company's Constitution and exceeds the minimum requirement one-third for INEDs as set out in the Listing Requirements of Bursa Securities. The Board composition also complies with Practice 4.1 of MCCG 2017 that recommends board composition of Large Companies, as defined by MCCG 2017, comprises majority INEDs. The Directors' profiles are available on pages 119-130 of this Annual Report.

The composition of the Board fairly reflects the interest of the Government through the Minister of Finance (Incorporated) (MOF Inc.), the Special Shareholder, which is adequately represented by the appointment of their nominees on the Board without compromising the interest of other shareholders, including the minority shareholders. Currently, one (1) of the NINEDs is a nominee director from Khazanah Nasional Berhad (KNB), the major shareholder of the Company. Another NINED is a nominee director from Employees Provident Fund (EPF), another major shareholder. The INEDs on the Board represent the minority shareholders' interest and their independent voice carry significant weight in the Board's decision-making process.

On 10 February 2020, Malaysia Airports welcomed YBhg. Dato' Zamzuri Abdul Aziz, a representative of MOF Inc. to the Board. Thereafter, on 11 August 2020, the Company bade farewell to YBhg. Tan Sri Datuk Zainun Ali who resigned as Chairman and welcomed YB. Dato' Seri Diraja Dr. Zambry Abd. Kadir who was appointed on 12 August 2020 as the new Chairman of the Board, representing MOF Inc. On 30 September 2020, Hajah Jamilah Dato' Hashim resigned from the Board as a representative of KNB, and YBhg. Dato' Mohamad Nasir Ab. Latif was appointed as a representative of EPF on 1 October 2020. Malaysia Airports also bade farewell to YBhg. Dato' Jana Santhiran Muniayan, a representative of MOF Inc. from Ministry of Transport (MOT), who resigned from the Board on 4 January 2021 and welcomed Puan Normah Osman on 26 April 2021. Puan Normah Osman is a representative of MOF Inc. from MOT.

The Board regularly reviews its composition and the composition of the Board Committees to ensure appropriate balance as well as relevant skills and experience are present at all times. In conclusion, the Board and Board Committees are satisfied with their existing composition and are of the view that, with the current mix of skills, knowledge, experience and strength of the existing Directors, the Board and respective Board Committees are able to discharge their duties effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



Nomination and Appointment of Directors

The nomination and appointment of Directors is a vital process as it determines the Board composition and the quality and competency that each member brings to the Board. In this relation, BNRC is entrusted by the Board to review candidates for new appointments to the Board and determine the criteria for the selection of new Director. In making its recommendation, BNRC will consider the following criteria in the selection of candidates:

- Skills, knowledge, competencies, expertise, and experience.
- Professionalism.
- Integrity.
- Diversity.
- Commitment, contribution, and performance; and
- In the case of candidates for the position of INEDs, the BNRC will also evaluate the candidate's ability to discharge such responsibilities or functions as expected of the INEDs.

The Board leverages on its members' networks, shareholders' recommendation, and industry database to source for potential candidates for appointment to the Board. A list of potential candidates of INEDs is maintained and regularly reviewed by BNRC. To ensure a structured approach in appointment of INEDs, the Company adopts a Framework for Appointment of Independent Non-Executive Directors which provides step by step procedures from the point of nomination up to the appointment of the INEDs.

Re-election and Re-appointment of Directors

In determining the Directors for retirement and re-election, one-third of the Directors, or a number nearest to one-third, who have been the longest in office since their last election

shall retire by rotation at each Annual General Meeting (AGM). A director who is newly appointed during the year shall retire at the AGM following his or her appointment.

The Board, via BNRC, reviews the performance of Directors who are subject to re-election or re-appointment at the AGM by giving due regard to his or her performance and the ability to continue to contribute to the Board in terms of knowledge, skills, and experience. The Board submits its recommendation to the shareholders on the re-election or re-appointment at the AGM for approval thereof.

At the forthcoming 22nd AGM of the Company, the Directors who have been the longest in office and subject to re-election are YBhg. Dato' Ir. Mohamad Husin, YBhg. Datuk Azailiza Mohd Ahad, and Mr. Ramanathan Sathiamutty, whilst the newly appointed Directors who are subject to re-election are YB. Dato' Seri Diraja Dr. Zambry Abd. Kadir and YBhg. Dato' Mohamad Nasir Ab. Latif and Puan Normah Osman.

Balance, Diversity and Skills

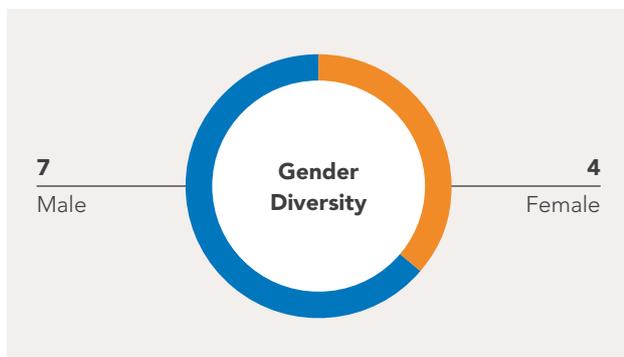
The Board believes that a balance of experience, skills, competency, expertise, diversity, and knowledge are the key elements for introducing different perspectives into the Boards' discussions and to ensure better analysis of risks and opportunities in leading a long-term sustainable business. With such balance, our Board ensures the continuity of effective oversight and informed decision making with respect to issues affecting the Company.

The Board considers the diversity in gender, age, and ethnicity of the existing Board members in seeking potential candidate(s) for new appointment on the Board. This helps to ensure an appropriate balance between the experienced perspectives of the long-term Directors and new perspectives that bring fresh insights to the Board.

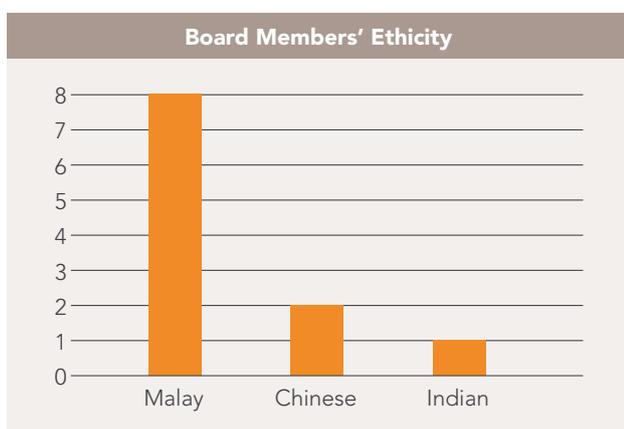
Malaysia Airports has always been supportive of the MCCG 2017's recommendation that Large Companies should have at least 30% Women Directors. Currently, the Board has representation of four (4) Women Directors out of the total of eleven (11) Directors which make up exactly 30% of the Board composition. A Board Gender Diversity Policy has also been established since 2018 where it is provided that the Board will maintain at least three (3) Women Directors at all times and the minimum 30% Women Directors as members of the Board at all times.

The gender diversity philosophy is cascaded from the Board level to the key operational management throughout the Group. The Company will continue to take steps to promote diversity, including gender diversity, at operational management level and strive to inculcate a working environment which is free from discrimination. The policy on diversity is also implemented in the Group's recruitment and promotion processes.

Whilst having regard to gender diversity, the Board also recognises that diversity should also be considered from other aspects such as cultural background, industry expertise, international and regional exposures.



Range (Age) in 2020	No of Directors
40-49	1
50-59	5
60-69	5
Total	11



Independent Directors and their Tenure

The Board has established an independence standard to be met by the INEDs where it considers "independence" to be a matter of individual judgment and conscience. A Director is independent only when he or she is free from any business or other relationship that might interfere with the exercise of his or her independent judgment.

In 2020, BNRC carried out a review of the Director's independence. It concluded that each of the six (6) INEDs were independent and had carried out their duties in an objective and professional manner. The Board was satisfied that the INEDs had represented the interest of the minority shareholders as required from them by virtue of their roles and responsibilities. The Board will continue to monitor and review whether there are any conflicting interests, relationships or circumstances that could potentially affect their independence.

The following provisions are incorporated in the Board Charter to support objective and independent deliberation, review, and decision-making process of the Board:

- The Board should include an appropriate composition of NINEDs and INEDs so that no individual or group of individuals can dominate the Board's decision-making process.
- INEDs shall provide independent judgement, experience, and objectivity without being subordinated to operational considerations; and
- The views of the INEDs should carry significant weight in the Board's decision-making process.

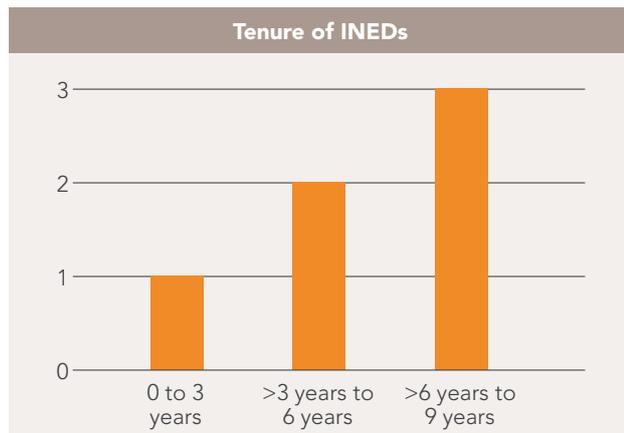
The Board undertakes that the rights of minority shareholders shall not be impaired in any manner and that the number and strength of INEDs are adequate to promote the independence of the Board and to safeguard the rights of the minority shareholders.

The independence of the Directors is determined in accordance with the independence criteria in Paragraph 1.01 of the Listing Requirements. In 2020, all the six (6) INEDs satisfied the independence criteria.

The MCGG 2017 provides a cumulative term of nine (9) years as a limit for the tenure of an INED, after which the Company may either seek the shareholders' approval for the Director to continue on the Board as an INED, or the Company may

CORPORATE GOVERNANCE OVERVIEW STATEMENT

re-designate the said Director as a NINED. However, the Company's Board Charter provides that the tenure of INEDs shall not exceed a cumulative term of nine (9) years or an age of 75 years old, whichever is earlier. To date, none of the INEDs of the Company have served more than nine (9) years or attain the age of 75 years.



Director's Commitment

The Board recognises it is important for all Directors to be able to dedicate sufficient time to the Company in discharging their responsibilities. Therefore, all Directors are expected to commit their time to the Company. With regards to external appointments, the Board Charter provides that all Board members shall notify the Chairman of the Board before accepting any new directorships. This shall include an indication of time that will be spent on any new appointment. In addition, the Board reviews the contributions from the Directors annually and whether they are spending sufficient time in performing their responsibilities as members of the Board. At present, in compliance with Paragraph 15.06 of the Listing Requirements, no individual Board member has more than five (5) directorships in listed issuers at any one time.

Board Charter

The Board Charter provides guidance to the Board for the performance of its roles and responsibilities. Incorporated in the Board Charter are the roles and responsibilities of the

Board, the balance and composition of the Board, the Board's authorities, schedule of matters reserved for the Board, the establishment of the Board Committees, processes, and procedures for convening Board meetings, the Board's assessment and review of its performance, compliance with ethical standards, Board's access to information and advice, and the requirement for declaration of interest.

The Board Charter is available on the Company's website at www.malaysiaairports.com.my.

Ensuring Quality of Information

The Chairman takes responsibility for ensuring that the Directors receive accurate, timely and clear information with regards to the Group's financial and operational performance as well as information contained in proposal papers submitted to the Board and Board Committees. This emphasis on quality information will enable the Board to make sound decision and provide the necessary advice to Management. To ensure the Board has sufficient time to read and digest the contents of any of the papers, all Board and Board Committee papers are issued and submitted electronically to the Board and Board Committees in advance prior to the scheduled meetings. The Company Secretary assists the Chairman to ensure that the process of disseminating all Board papers and other information is always effective and reliable.

Under the current practice, notices of Board and Board Committee meetings are issued to the Directors and Board Committee members as well as all individuals invited to attend the meetings at least 14 days from the date of the meetings. The Company endeavours to ensure that the Board papers are circulated to all Board members and Board Committees at least five (5) business days in advance to ensure that Directors are provided with sufficient time to prepare for board meetings and to facilitate robust discussions.

Induction and Continuous Professional Development

The Company Secretary ensures the Directors' continued development by facilitating induction programme of new Directors, arranging internal training programme, and coordinating Directors' attendance of external training programme for existing Directors.

Other than the Mandatory Accreditation Programme as required by Listing Requirements of Bursa Securities, newly appointed Directors will receive a comprehensive induction briefing designed to familiarise themselves with the Group's businesses and operations, including the major risks faced within the Company's business as well as an overview of the Company's compliance with corporate governance best practices. The Directors are also encouraged to attend continuous professional development programme to ensure they keep abreast with the latest developments and legislations in the relevant areas in discharging their duties and responsibilities. A dedicated budget for Directors' training is provided each year by the Company.

During the year under review, Directors have attended continuous professional development programme covering various topics ranging from governance, changes in statutory and regulatory requirements and industry trends. In order to equip the Directors with specific knowledge relating to the operations of the Group, the Directors also attended familiarisation programme on airport operations and aviation that were intended to enhance their deliberations on matters brought to Board and Board Committee meetings. Collectively, the Board members spent eighty-seven (87) days for attending and participating in trainings during the year under review.

The following is a summary of training courses attended by Directors:

List of Training Attended	Duration in day(s)
Leadership and Strategy	
• Courage Talk Leadership Series: Purposeful Leadership in Times of Crisis	1
• Climate Action: The Board's Leadership in Greening the Financial Sector	1
• Working from Home Experience - Preferences & Sentiments	1
Management and Business	
• Malaysia Budget 2021 Review	1
• Multi Sector Real Estate Market Outlook	1
• New Generation Patrol Craft (NGPC) and Offshore Patrol Vessel (OPV) Ship Construction Project	1
Finance	
• Financial Institutions Directors' Education (FIDE) Core Module 'A' for Banks	9
• Islamic Finance for Board of Directors and Senior Management	2
• Program Ministerial Talk Series with Deputy Minister of Finance 1	1
• Islamic Finance for Board of Directors	1
• Financial Institutions Directors' Education (FIDE) Core Programme Module 'B' for Banks	5
IT Strategy & Governance	
• Digital Economy & Market Outlook	1
• Information Security Awareness	1
Accounting and Audit	
• Malaysian Financial Reporting Standards (MFRS) - Accounting & Tax Updates	1
• Financial COVID-19 Impact and Reporting	1
• MPSAS 26 Impairment of Cash Generating Assets	1
• ISA540 (Revised): An Illustrated Guide to Implementing Auditing, Accounting Estimates and Related Disclosures	1
• Audit Committee Conference 2021	2

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List of Training Attended	Duration in day(s)
Governance and Integrity	
• Awareness Session on Anti-Corruption	1
• Anti-Money Laundering and Counter Financing of Terrorism	1
• Anti-Bribery and Corruption	1
• Fraud and Financial Scandals: Trends, Red Flags, and Mitigations	1
Regulatory and Legal	
• Mandatory Accreditation Programme for Director of Public Listed Companies in Malaysia	3
• Enlightenment on the Syariah Resolutions issued by Syariah Advisory Council of Bank Negara Malaysia (BNM) 2020	1
• Key Disclosure Obligations of a Listed Company	1
• Section 17A Malaysian Anti-Corruption Commission (MACC) - Anti-Bribery & Corruption - Policy & Procedures Training	1
• Corporate Liability in Compliance with Section 17A MACC Act 2009	1
Airport/Aviation	
• Walkabout and Familiarisation on Operations of KLIA Baggage Handling System	1
• Visit and Familiarisation on the Operations of Kuala Lumpur Air Traffic Control Centre	1
• Operating Agreement (OA) Mini Workshop	1
Procurement	
• Procurement Contract for Six (6) Ship Second Generation Patrol Vessel	2
• Implementation of Policy for the Use of Local Goods in Government Procurement	3
Property and Development	
• COVID-19 & its Impact in Managing Tax Concerns for Property Developers	1
• Property Developers versus Inland Revenue Board	1
• Master of Real Estate Program - Overview of Malaysia Real Estate	1
• Post COVID-19 Strategic Plan for Construction Industry: Challenges and Solution	1
• Tenancies, Leases, Other Land Transactions & Caveats	1
• BMS Webinar on Current Developments & Opportunities in Property Investment in the UK & Malaysia	1
• Malaysia Webinar Series: The Role of Infrastructure in Economic Recovery	1
Risk Management	
• Governance and Risk - An Uncertain World. A Riskier Landscape	1
• The New Normal, Impact of COVID-19 on Oil and Gas and Future of Renewable Energy	1
• Recovery and Resolution Plan	1
• Impact of COVID-19 on the Aviation Industry	1
Operational Excellence/Process Improvement	
• Lean Six Sigma (LSS) Journey & Project Walkthrough	1

Time spent on training in 2020:

Directors	Time Spent (day)
Dato' Seri Diraja Dr. Zambry Abd. Kadir	7
Dato' Zamzuri Abdul Aziz	11
Wong Shu Hsien	7
Dato' Mohamad Nasir Ab. Latif	23
Datuk Seri Yam Kong Choy	17
Datuk Zalekha Hassan	3
Rosli Abdullah	8
Dato Ir. Mohamad Husin	6
Datuk Azailiza Mohd Ahad	3
Ramanathan Sathiamutty	2
Dato' Dr. Amiruddin Muhamed (Alternate Director to Dato' Zamzuri Abdul Aziz)	12

Board Performance Evaluation (BPE)

The Company's BPE is implemented via Evaluation Questionnaires which has been developed as tools to evaluate the Board, Board Committees, and individual Directors covering the following areas, among others:

- Board Composition.
- Board's Roles and Functions.
- Information Management.
- Monitoring Company Performance.
- Board Priorities.
- Corporate Governance and Ethics
- GCEO [MD] Performance Evaluation and Succession Plan.
- Directors' Development.
- Risk Management.
- Board Committee Evaluation; and
- Directors' self/peer evaluation.

The strength and weaknesses identified from the evaluation will be presented to BNRC for recommendation to the Board. The Board will further deliberate the findings of the BPE and views of each Board member, of which the findings would be used as a yardstick to measure the effectiveness of the Board. This will form the basis to formulate a Board Performance Improvement (BPI) Plan for the following year.

The BPE framework is reviewed periodically to ensure that the relevant analysis is able contribute to the Board's overall effectiveness and is part of an ongoing effort to drive continuous effectiveness of the Board and Board Committees.

Company Secretary

The Company Secretary has the prescribed qualification to act as secretary under the Companies Act, 2016. He is equipped with the skills and expertise to provide sound governance advice and ensure adherence to the relevant policies and procedures with regards to corporate governance issues, corporate secretarial and compliance matters. The Directors have direct access to the advice and services of the Company Secretary.

The functions of the Company Secretary are as follows:

- Responsible for advising the Directors of their duties, responsibilities, and obligations to disclose their interest in securities, prohibition on dealing of securities during the closed periods, restriction on disclosure of price sensitive information, disclosure of any conflict of interest and related party transaction as well as disclosure of necessary information as required under the relevant legislations.
- Advise the Board on its responsibilities to disclose material information to the shareholders and financial markets on a timely basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Ensure high standard of corporate governance by keeping abreast of the latest development in corporate governance and changes in the legal and regulatory framework.
- Attend all Board, Board Committee, and Shareholder meetings and ensure that all meetings are properly convened, and proceedings of the Board, Board Committee, and Shareholder meetings and decisions thereof are properly recorded.
- Monitor compliance with the principles and recommendations of MCCG 2017 and inform the Board of any non-compliance.
- Visit and Familiarisation on the Operations of Kuala Lumpur Air Traffic Control Centre organised by MAHB.
- MFRS - Tax Updates and Accounting Considerations of COVID-19 organised by MAHB.
- Courage Talk Leadership Series: Purposeful Leadership in Times of Crisis organised by MAHB.
- Anti-Corruption Awareness organised by MAHB.
- Walkabout and Familiarisation on the Operations of KLIA Baggage Handling System organised by MAHB.

The Company Secretary constantly keeps himself abreast and educated on the changes and developments in statutory and regulatory requirements, corporate governance and sustainability through continuous education and training. The training programme attended by the Company Secretary in the financial year 2020 are as follows:

- Discovering the Technical and Practical of Beneficial Ownership Framework under Companies Act 2016 by MAICSA.
- MCCG 2017: The "Step Up" Practices by MAICSA.
- Corporate Governance Case Studies by MAICSA.
- Everything About Dividend by MAICSA

Board Remuneration

The Board remuneration structure is reviewed by benchmarking the Chairman and the Directors' remuneration against peer companies, locally and regionally, to be more competitive to attract and retain NEDs and commensurate with the responsibilities and duties of the Board and Board Committees. This will in turn ensure the Board continues to provide the necessary oversight roles and mentoring out of the skills and experiences required for the effective management and operations of the Group. The calibre of the Board members serving the Company is essential in upholding the high standards of corporate governance practised by the Company.

The Chairman and other Board members received the following fees for the financial year ended 31 December 2020:

1. MAHB			
No.	FEE	CHAIRMAN	NON-EXECUTIVE DIRECTOR
1.	Directors' Fee	Monthly: RM18,000 Annually: RM216,000	Monthly: RM12,000 Annually: RM144,000
2.	Meeting Allowance		
	2.1 Board Meeting	RM5,000/meeting	RM3,000/meeting
	2.2 Board Committee Meeting	RM4,000/meeting	RM2,000/meeting
3.	Senior Independent Director Allowance		Monthly: RM1,000 Annually: RM12,000

2. Subsidiaries of Malaysia Airports			
No.	FEE	CHAIRMAN	NON-EXECUTIVE DIRECTOR
Directors' Fee			
1.	Malaysia Airports Sdn Bhd	Monthly: RM4,000 Annually: RM48,000	Monthly: RM3,000 Annually: RM36,000
2.	Malaysia Airports (Sepang) Sdn Bhd		
3.	Malaysia Airports Consultancy Services Sdn Bhd		
4.	Urusan Teknologi Wawasan Sdn Bhd		
5.	Malaysia Airports (Niaga) Sdn Bhd		
6.	K.L. Airport Hotel Sdn Bhd		
7.	MAB Agriculture-Horticulture Sdn Bhd		
8.	KLIA Aeropolis Sdn Bhd		
9.	Malaysia Airports International Sdn Bhd		
10.	Istanbul Sabiha Gökçen International Airport (ISG) and SGC Airport Operations Trade and Tourism Inc. (SGC)*		
Meeting Allowance			
1.	Malaysia Airports Sdn Bhd	RM1,500 per meeting	RM1,200 per meeting
2.	Malaysia Airports (Sepang) Sdn Bhd		
3.	Malaysia Airports Consultancy Services Sdn Bhd		
4.	Urusan Teknologi Wawasan Sdn Bhd		
5.	Malaysia Airports (Niaga) Sdn Bhd		
6.	K.L. Airport Hotel Sdn Bhd		
7.	MAB Agriculture-Horticulture Sdn Bhd		
8.	KLIA Aeropolis Sdn Bhd		
9.	Malaysia Airports International Sdn Bhd		
10.	Istanbul Sabiha Gökçen International Airport (ISG) and SGC Airport Operations Trade and Tourism Inc. (SGC)*		

3. Committee of Malaysia Airports' Subsidiaries			
No.	FEE	CHAIRMAN	NON-EXECUTIVE DIRECTOR
Meeting Allowance			
1.	ISG and SGC*	RM2,500 per meeting	RM2,000 per meeting

4. Management Committee of Malaysia Airports			
No.	FEE	CHAIRMAN	NON-EXECUTIVE DIRECTOR
Meeting Allowance			
1.	Whistleblowing Independent Committee	RM1,500 per meeting	RM1,000 per meeting

* To be paid to one subsidiary only (i.e ISG).

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Details of remuneration received by the Directors for the financial year ended 31 December 2020 are summarised below:

Category	Directors' Fees		Directors' Other Emoluments [^]		Benefits-in-Kind ^{^^}		Total (RM)
	MAHB (a) (RM)	Subsidiary (b) (RM)	MAHB (c) (RM)	Subsidiary (d) (RM)	MAHB (e) (RM)	Subsidiary (f) (RM)	
Non-Executive Directors							
Dato' Seri Diraja Dr. Zambry Abd. Kadir (Appointed with effect from 12 August 2020)	83,612.90	0.00	118,017.74	0.00	8,722.25	0.00	210,352.89
Tan Sri Datuk Zainun Ali (Resigned with effect from 11 August 2020)	132,387.10	0.00	64,356.68	0.00	43,228.23	0.00	239,972.01
Tan Sri Dato' Seri Syed Anwar Jamalullail (Resigned with effect from 17 January 2019)	0.00	0.00	0.00	0.00	10,000.00	0.00	10,000.00
Dato' Zamzuri Abdul Aziz (Appointed with effect from 10 February 2020)	128,275.86	0.00	47,350.00	0.00	7,000.00	0.00	182,625.86
Dato' Dr. Amiruddin Muhamed (Alternate Director to Dato' Zamzuri Abdul Aziz) (Appointed as alternate with effect from 10 February 2020)	0.00	0.00	20,350.00	0.00	5,000.00	0.00	25,350.00
Datuk Siti Zauyah Md Desa (Resigned with effect from 30 November 2019)	0.00	0.00	0.00	0.00	10,000.00	0.00	10,000.00
Dato' Jana Santhiran Muniayan (Resigned with effect from 4 January 2021)	144,000.00	30,200	55,050.00	4,350.00	14,899.00	0.00	248,499.00
Tan Sri Mohd Khairul Adib Abd Rahman (Resigned with effect from 31 January 2019)	0.00	0.00	0.00	0.00	10,000.00	0.00	10,000.00
Wong Shu Hsien*	144,000.00	0.00	96,000.00	0.00	0.00	0.00	240,000.00
Dato' Mohd Izani Ghani (Resigned with effect from 28 February 2019)	0.00	0.00	0.00	0.00	10,000.00	0.00	10,000.00
Dato' Mohamad Nasir Ab. Latif (Appointed with effect from 1 October 2020)	36,000.00	0.00	16,350.00	0.00	7,000.00	0.00	59,350.00
Datuk Seri Yam Kong Choy	144,000.00	132,000.00	103,700.00	15,600.00	19,461.53	0.00	414,761.53
Datuk Zalekha Hassan	144,000.00	96,000.00	125,350.00	15,350.00	17,000.00	0.00	397,700.00
Rosli Abdullah	144,000.00	120,000.00	91,350.00	40,300.00	17,350.00	0.00	413,000.00
Dato' Ir. Mohamad Husin	144,000.00	96,000.00	107,350.00	12,000.00	15,000.00	0.00	374,350.00
Datuk Azailiza Mohd Ahad	144,000.00	84,000.00	122,850.00	3,600.00	10,000.00	0.00	364,450.00
Ramanathan Sathiamutty	144,000.00	79,163.44	115,350.00	24,400.00	10,000.00	0.00	372,913.44
Hajah Jamilah Dato' Hashim (Resigned with effect from 30 September 2020)	108,000.00	90,000.00	84,050.00	12,000.00	22,000.00	0.00	316,050.00
Grand Total	1,640,275.86	727,363.44	1,167,474.42	127,600.00	236,661.01	0.00	3,899,374.73

This disclosure is for the payment to the respective Directors in financial year 2020.

* Total remuneration paid to Khazanah Nasional Berhad, the major shareholder of the company, in respect of service rendered to the Company by Ms. Wong Shu Hsien.

[^] Directors' Other Emoluments comprises Senior Independent Director allowance, meeting allowance, car allowance^o, personal assistant allowance^o, entertainment allowance^o and out-of-pocket expenses.

^{^^} Benefits-in-kind comprises car^{oo}, petrol^{oo}, toll^{oo}, driver^{oo}, IT & telecommunication devices, club^{oo} and professional membership, and Directors' appreciation gift.

^o For Chairman only

^{oo} For Chairman only

In line with the provision of the Board Charter, a review of the Directors' total remuneration is conducted once every two (2) years to ensure that remuneration levels are aligned at least at the 50th percentile of their appropriate peer group. The Board believes that the alignment of the remuneration offered to the Directors will enable the Company to continue to attract and retain individuals of the required caliber on the Board. However, due to the unfavourable economic impact from COVID-19 pandemic, the review was deferred until such time the situation returns to normalcy.

Senior Management Remuneration

The Board strives to ensure the Senior Management's remuneration package is competitive to be able to attract new talents, as well as to retain existing talents. Currently, the top five Senior Management's remuneration packages are within the range of RM50,000.00 per month to RM104,000.00 per month.

The Senior Management's performance is evaluated on a yearly basis where the corporate level Key Performance Indicators (KPIs) are set by the Board and cascaded to the Senior Management. The Senior Management's performance is then reviewed in the middle of each year and at the beginning of the following year.

PRINCIPLE B : EFFECTIVENESS AUDIT AND RISK MANAGEMENT

Board Audit Committee and Board Risk Management Committee are primarily responsible for risk management and internal control oversight:

- **Board Audit Committee**

Board Audit Committee (BAC) plays a key role in the Company's corporate governance framework. BAC is positioned to rigorously challenge and ask probing questions on the Company's financial reporting process, related party transactions and conflicts of interest, internal control, internal audit and external audit processes.

It is provided under the Terms of Reference of the BAC that the former key audit partner shall observe a cooling off period of at least two (2) years before being appointed

as a member of the BAC. In line with MCCG 2017, the Chairman of the BAC is not the Chairman of the Board. BAC comprised of majority INEDs.

During the year, the BAC members had attended professional development courses in accounting and auditing standards to keep themselves abreast with the changes in the regulatory environment.

The BAC report is available on pages 189-192 of this Report.

- **Board Risk Management Committee**

Board Risk Management Committee (BRMC) was established to oversee the Company's risk management framework and policies. BRMC is responsible to determine the Company's level of risk tolerance and actively identify, assess, and monitor key business risks to safeguard shareholders' investments and the Company's assets.

The Corporate Risk Management Profile of the Group and the mitigation plan for the risks are being monitored by BRMC on quarterly basis and lifted to the Board for approval. The risks are categorised into several areas namely strategic, regulatory, operational, human capital, information technology, reputational and financial.

INTEGRITY AND AUDIT

Ensuring Quality in Financial Reporting

In presenting the annual audited financial statements and quarterly financial results to the shareholders, the Directors ensures that the information presented contains a balanced and comprehensive assessment of the Group's financial position and prospects. The Board is assisted by BAC in reviewing the information disclosed in the financial statements and ensuring its completeness, accuracy, and adequacy.

The Board is fully aware of the changes in the accounting policies with the implementation of the Malaysian Financial Reporting Standards (MFRSs) approved by the Malaysian Accounting Standards Board and all companies in the Group have adopted the relevant MFRSs applicable for the financial year ended 31 December 2020.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Risk Management and Internal Controls

The effectiveness of the Company's internal control system is reviewed from time to time. The Board Committees have been entrusted under their respective functions which are aimed at supporting the Board's oversight roles of proper implementation of corporate governance practices, audit, risk management and internal control systems. The Board is guided by the Risk Management Policy Framework to ensure effective oversight of risks and controls in the Group. The effectiveness of risk management and internal controls is continuously reviewed to ensure that they are working as intended.

INTEGRITY AND ETHICS

Corporate Integrity

Pursuant to Section 17A of the Malaysia Anti-Corruption Commission Act 2009 (MACC Act 2009), the Guidelines on Adequate Procedures was launched by the the Malaysian Anti-Corruption Commission in December 2018 to assist commercial organisations in formulating the adequate procedures that should be implemented to prevent corrupt practices.

In 2020, Corporate Integrity Division (CID) introduced the signing of the Statement of Annual Assurance (the Statement) that confirms the commitment by Senior Management to comply with principles under Guidelines on Adequate Procedures. Management of the respective business areas is required to sign the Statement based on the five (5) principles of Guidelines on Adequate Procedures, i.e., Top-Level Commitment, Risk Assessment, Undertake Control Measures, Systematic Review, Monitoring and Enforcement and Training and Communication. In addition, in collaboration with the Human Capital Division, CID had launched the online sign-off of Corruption Free Pledge and Certification of Compliance to Code of Ethics and Conduct for all employees.

According to Guidelines on Adequate Procedures, a corruption risk assessment should form the basis of an organisation's anti-corruption effort. As such, a commercial organisation should conduct corruption risk assessments periodically as and when there is a change in law or circumstance of the business to identify, analyse, assess, and prioritise the internal and external

corruption risks of the organisation. In 2020, in collaboration with the Institut Integriti Malaysia (IIM), CID had organised the Corruption Risk Management workshops. All operating companies in the Group and divisions under the Company were required to identify and assess corruption risks at their respective business areas. Subsequently, corruption risks for each entity and division were registered in Malaysia Airports risk scorecard (MARs). In summary, a total of 510 corruption risks were registered in MARs.

On 17 June 2020, CID issued a Guideline on Anti-Corruption Due Diligence for the Group to guide the relevant companies or divisions in fulfilling the requirement of Principle III of Guidelines on Adequate Procedures. Under the principle, a commercial organisation should put in place the appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of the organisation to address any corruption risks arising from weaknesses in the organisation's governance framework, processes, and procedures. CID had also revised the Standard Operating Procedure (SOP) of its Whistleblowing, Corruption Risk Management, and Investigation on Corruption to further describe and improve the processes.

Malaysia Airports' procurement processes were certified with ISO 37001:2016 Anti-Bribery Management Systems in 2019. On 24 November 2020 to 27 November 2020, the Company and its subsidiary, Malaysia Airports (Sepang) Sdn Bhd underwent the Anti-Bribery Management Systems (ABMS) ISO 37001:2016 Surveillance Audit. The scope of the ABMS certification was expanded to cover all process, as compared to only procurement processes in 2019. The surveillance audit was conducted by ABMS certification body, i.e., SIRIM QAS. The audit was carried out to ensure regular reviews are conducted to assess the performance, efficiency, and effectiveness of the anti-corruption programme, and ensure the programme is enforced as outlined in the Guidelines of Adequate Procedures and requirement of ABMS ISO 37001:2016 Certification.

Due to the COVID-19 pandemic, CID has deferred the physical e-learning awareness session on anti-corruption. In 2020, 99% of Malaysia Airports' employees completed the anti-corruption e-learning. Besides the e-learning, CID also disseminated the information related to integrity, corruptions, and whistleblowing on printed materials such as posters and buntings.

CID also launched the “Serve with #Integrity” button badge. It is a personalised campaign aimed at inspiring employees to demonstrate integrity, honesty, sincerity, and commitment in serving Malaysia Airports’ guests and stakeholders. The campaign was launched on 8 May 2020. All employees are required to wear “Serve with #Integrity” button badge while on duty.

Additionally, CID organised a briefing session on Corporate Liability (Section 17A of MACC Act 2009) for Senior Management.

Whistleblowing Policy

Bursa Securities had amended the Listing Requirements to incorporate anti-corruption and whistleblowing measures that came into effect from 1 June 2020. The new amended Listing Requirements in relation to anti-corruption and whistleblowing are provided under Paragraph 15.29 as follows: -

A listed issuer and its board of directors must ensure that: -

- (a) the following are established and maintained for the listed issuer and its subsidiaries (Group): -
 - (i) policies and procedures on anti-corruption that are, at a minimum, guided by the Guidelines on Adequate Procedures issued pursuant to section 17A (5) of the MACC Act 2009; and
 - (ii) policies and procedures on whistleblowing.
- (b) the policies and procedures in subparagraph (a) above are reviewed periodically to assess their effectiveness, and in any event, at least once every three (3) years; and
- (c) corruption risk is included in its annual risk assessment of the Group.

A listed issuer must also publish on its website: -

- (a) its policy on anti-corruption; and
- (b) its policy and procedures on whistleblowing.

The current Company’s Whistleblowing Policy was approved by the Board in 2016. The Whistleblowing Policy has been revised to incorporate the requirement that the policy be reviewed at least once every three (3) years to ensure compliance with

subparagraph 15.29(1)(b) of the Listing Requirements. The revised Whistleblowing Policy was approved by the Board on 30 November 2020.

Complaints can be channelled online on the Company’s website at www.malaysiaairports.com.my via the Whistleblowing Programme Reporting of Concern Form, or emailed to wic_secretariat@malaysiaairports.com.my, or by calling the hotline at 03-8777 7314 or 019-659 2263.

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

Communication and Relationship with Stakeholders

Recognising that we are accountable to our stakeholders, institutional shareholders as well as minority shareholders, the reporting of financial and non-financial results in a transparent fashion is critical to earn the trust and confidence of the stakeholders. Several formal communication channels are used to account to shareholders to update on the performance of the Group. These include communication through the Annual Reports, periodic announcement of financial results and press releases.

Shareholders may raise questions to the Company by contacting the Investor Relation Division. The Company’s Investor Relation Policy enables effective communication with the shareholders, potential investors, other stakeholders, and the public in general. It is intended to give them a clear picture of the Group’s performance and operations. To maintain transparency and effectively address matters and concerns raised by any parties, the Company has a dedicated email at ir@malaysiaairports.com.my to which stakeholders can direct their queries.

The Board acknowledges the importance that the shareholders be informed of all material information affecting the Company in a timely manner by assuring the following:

- All announcements on quarterly financial results, change in the composition of the Board and Principal Officers, etc., are disclosed to Bursa Securities within the stipulated timeframe and immediately made available on the Company’s website.
- All information released to the stakeholders will be placed on Malaysia Airports’ website promptly following the release.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Clear, accurate and sufficient information to enable shareholders and investors to make informed investment decisions; and
- All formal queries by Bursa Securities and other regulatory authorities are expeditiously responded to.

Conduct of General Meeting

The Board is equally interested in the concerns of minority shareholders and mandated the Company Secretary to oversee the communication with this group of shareholders. The Board recognises the significance of the constructive use of AGM as an avenue for a dialogue with minority shareholders based on the mutual understanding of its objectives. Individual shareholders can put questions to the Chairman at the AGM. Chairmen of various Board Committees attend the AGM to respond to any questions on the activities of the Board Committees as provided under their respective terms of references.

The Notice of AGM is circulated 28 days before the date of meeting to enable shareholders to go through the Annual Report, adopting the Practice under Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders of MCCG 2017 and fulfilling the minimum 21-day requirement under the Companies Act 2016 and the Listing Requirements of Bursa Securities. The additional time given to shareholders enables them to make necessary arrangements to attend and participate either in person, by corporate

representative, by proxy or to appoint an attorney to attend on their behalf.

As guided by MCCG 2017, in facilitating greater shareholder participation, the Board has taken proactive measure in leveraging technology during the Company's 21st AGM held in 2020 via voting in absentia and remote shareholders' participation.

The Board will maintain good dialogue with shareholders by proactively arranging meetings, presentations, and events, to better understand the views of the shareholders on a range of issues from strategy to corporate governance.

COMPLIANCE STATEMENT

The Board considers that the Company has complied to a large extent with the MCCG 2017. For further information on the application of practices stipulated in the Principles of MCCG 2017 during the financial year under review, please refer to Corporate Governance Report 2020 of the Company which is accessible on Malaysia Airports' website at www.malaysiaairports.com.my.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors and approved at the Board of Directors' meeting held on 26 February 2021.