

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5014
COMPANY NAME : MALAYSIA AIRPORTS HOLDINGS 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 of Directors (the Board) is collectively responsible in promoting the success of Malaysia Airports Holdings Berhad ("MAHB" or "the Company") by overseeing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith in the best interest of the Company. The Board recognises the key role it plays in charting the strategic direction of the Company, thus assume the following principal responsibilities in discharging its fiduciary and leadership duties: -</p> <ol style="list-style-type: none">1) To determine the Company's long-term direction, formulate business objectives and strategies including strategies that promote sustainability.2) To ensure that it has adequate resources to meet its objectives and that it maintains an effective/sound risk management framework.3) To review and implement an effective internal control system and risk management framework.4) To monitor its performance and ensure that it acts ethically and meets its responsibilities to shareholders and other stakeholders; and5) To adopt a formal schedule to decide on matters of approval of long-term strategy and objectives, capital and operating plans, major investments and disposals, funding and dividend strategy, and quarterly and annual financial statements. <p>The Board reviews and deliberates Management's proposals as well as provides guidance on the Company's business strategies and plan on an annual basis.</p>

The Company undertakes a structured forward-looking planning process for MAHB Group (the Group) where business plans/budget planning and performance management are finalised before each new financial year.

The Group's 5-Year Strategic Plan sets out the Group's strategic direction from 2021 to 2025 in transitioning from the pandemic to recovery while positioning the Group for business growth and sustainability.

The MAHB Group 5-Year Strategic Plan comprises two (2) phases as follows: -

- Phase 1 – Survival and Recovery (2021 – 2022); and
- Phase 2 – Growth and Transformation (2023 – 2025).

For 2022 onwards, the Group is positioning itself for recovery and growth by focusing on the following: -

- 1) Bringing back the international traffic by strategising efforts, airport by airport.
- 2) Enhancing propensity to generate and grow revenue at the subsidiary and divisional level.
- 3) Undertaking workflow review as part of continuous effort to improve cost containment.
- 4) Ensuring readiness for the return of travel while continuously preserving cash and optimizing costs; and
- 5) Laying out the foundation and building blocks to position the Group for growth by investing in projects such as critical asset replacement and Transformational Projects that will yield great benefits for the Group in the coming years.

A schedule of matters reserved for the Board to ensure that the direction and control of the Company are in the Board's hands are provided in the Board Charter.

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 Board Committees and Managing Director as well as to the Executive Committee (EXCO) which comprises senior management personnel.

In implementing a high standard corporate governance, the Board ensures its accountability to the Company's shareholders and other stakeholders.

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	<p>The Chairman of the Board is YBhg. Dato' Seri Diraja Dr. Zambry Abd. Kadir. The roles of the Chairman of the Board are set in the Board Charter, and they include, inter alia: -</p> <ol style="list-style-type: none">1. Lead the Board in setting the values and standards of the Company.2. Maintain a relationship of trust with and between the Directors.3. Ensure the provision of accurate, timely and clear information to Directors.4. Ensure effective communication with shareholders and other stakeholders.5. Act as facilitator for meetings to ensure: -<ol style="list-style-type: none">(i) adequate notice of meetings.(ii) adequacy of information for Board meetings.(iii) no member dominates the discussion.(iv) full discussion takes place.(v) variety of opinion among Board members is drawn out.(vi) outcome of discussions results in logical and coherent policy to guide the Managing Director (MD) and against which the performance of the Company can be monitored; and(vii) consensus is obtained in the Board and when necessary, to call for vote.6. Arrange regular evaluation of the performance of the Board and Board Committees.7. Facilitate effective contribution and ensure constructive relations be maintained between the Directors.8. Create the conditions required for the effectiveness of the overall Board and individual Directors, both inside and outside the Boardroom including the appropriate balance of power, level of accountability and independent decision making.

	<p>9. Lead discussions among Directors.</p> <p>10. Build a cohesive leadership team consisting of the Board and Senior Management; and</p> <p>11. Delegate responsibilities to other Directors, Board Committees and Management.</p> <p>The roles and responsibilities of the Chairman have been specified in Clause 4.2 of the Board Charter, which is available at https://mahb.listedcompany.com/board_charter.html</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

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>There is a clear division of responsibilities between the running of the Board and the executives responsible for running the day-to-day management and operation of the Group. This division of responsibilities helps to ensure objectivity between the functions of the Board and Senior Management.</p> <p>The positions of Chairman and MD are held by two (2) different individuals.</p> <p>During the year under review, the former Group Chief Executive Officer (GCEO), YBhg. Dato' Mohd Shukrie Mohd Salleh resigned from the Company on 24 October 2021. He was not a member of the Board.</p> <p>The Chairman of the Board is YB. Dato' Seri Diraja Dr. Zambry Abd. Kadir, whilst the MD is YBhg. Dato' Iskandar Mizal Mahmood who assumed the position on 25 October 2021. Their respective roles and responsibilities are governed by the Company's Board Charter.</p> <p>The roles of Chairman and MD are defined in the Board Charter and explained in the Corporate Governance Overview Statement in the Annual Report 2021.</p> <p>The division of responsibility between Chairman and MD have been specified in Clause 4.1 of the Board Charter, which is available at https://mahb.listedcompany.com/board_charter.html</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 :	Applied
Explanation on application of the practice :	<p>The Chairman of the Board, YB. Dato' Seri Diraja Dr. Zambry Abd. Kadir is not a member of the BAC and BNRC.</p> <p>Apart from the above, the Board had never invited the Chairman of the Board to participate in any Board Committee meetings.</p> <p>To ensure check and balance as well as objectivity in Board decision making, the Chairman of the Board shall not be a member of BAC and BNRC. This matter has been specified in Clause 4.2.2 of the Board Charter, which is available at https://mahb.listedcompany.com/board_charter.html</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 1.5

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 Company Secretary, Encik Zawardi Salleh, is a member of The Malaysian Institute of Chartered Secretaries & Administrators (MAICSA) and he holds a Practising Certificate from the Companies Commission of Malaysia. He is also the Secretary for all Board Committees and MAHB's local subsidiaries. Encik Zawardi Salleh has over 25 years of experience in corporate governance, corporate secretarial, and compliance. As the Company Secretary, he plays an advisory role to the Board in relation to the Company's Constitution, policies and procedures and compliance with the relevant regulatory requirements, guidelines, as well as corporate governance best practices. The Directors are regularly updated by the Company Secretary on changes to the relevant regulatory requirements, especially on areas relating to the duties and responsibilities and disclosure requirements.</p> <p>The functions of Company Secretary, amongst others, are as follows:</p> <ol style="list-style-type: none">1. 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 by the relevant legislations.2. Prepare the agenda with the Chairman and notify all Directors of Board Meetings.3. 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.4. Communicate decisions of the Board, Board Committee, and Shareholder meetings to the Management for necessary actions and following-up on proposals or matters tabled at the Board or Board Committee meetings.5. Provide full access and services to the Board.

6. Assist the Board with interpreting legal and regulatory acts related to the Malaysian Code of Corporate Governance 2021 (MCCG 2021), Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Malaysia) and other regulations and corporate developments.
7. Advise the Board on the requirements to disclose material information to the shareholders and financial markets on a timely basis.
8. Handle the Company's share transactions and other duties as prescribed under the relevant legislations.
9. Ensure the appointment of new directors, re-appointment and resignation of directors are in accordance with the relevant legislations.
10. Ensure the implementation of assessment of Directors and the Board/Board Committees.
11. Facilitate the orientation of new Directors and provide assistance in Directors' training and development.
12. Ensure availability of information required by new directors for the proper discharge of their duties.
13. Assist the Board and the Chairman on the implementation of MCCG 2021.
14. Monitor compliance with the principles and recommendations of MCCG 2021 and inform the Board of any departure; and
15. Ensure high standard of governance by keeping abreast with the latest development in corporate governance and changes in the legal and regulatory framework.

In ensuring the Board has full understanding of the businesses of the Company and the Group, the Company Secretary attended trainings/courses to keep him abreast with the regulatory requirements and corporate governance practices.

The Company Secretary had made arrangement for Directors to attend trainings/courses. The trainings/courses attended by the Directors are listed according to their names as stated in **Appendix 1**.

In line with the Listing Requirements of Bursa Malaysia, all the newly appointed Directors attended the Mandatory Accreditation Programme with the stipulated timeframe.

	<p>The Directors have direct access to the advice and service of the Company Secretary. The Company Secretary works closely with Management to ensure a timely and appropriate information flow between the Board/Board Committees and Management.</p> <p>The roles and responsibilities of the Company Secretary have been specified in Clause 16 of the Board Charter, which is available at https://mahb.listedcompany.com/board_charter.html</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

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	:	<p>The Chairman takes responsibility in ensuring that the Directors receive accurate, timely and complete information with regards to the Group's financial and operational performance to enable the Board to make sound decisions and provide necessary advice. The Company Secretary shall assist the Chairman to ensure the process of disseminating the information is effective and reliable.</p> <p>Under the current practice, notices of Board and Board Committee meetings are issued to the Directors at least 14 days before the date of each meeting. Thereafter, the agenda and the Board papers are circulated five (5) business days prior to each meeting.</p> <p>In 2021, based on the Standard Operating Procedure for Covid-19 set under the Movement Control Order (MCO) issued by the Government and guidelines by regulators, the Company's Board meetings were held virtually during the MCO to allow Directors to participate in a safe and responsible manner.</p> <p>The Company endeavoured to ensure that Board papers were circulated to all Directors five (5) business days in advance to ensure they were accorded with sufficient information and time to prepare for Board meetings and engage in robust discussions. To ensure in-depth discussions of the agenda items within a reasonably sufficient time, the Chairman will decide on the agenda items, and structure and prioritise the respective items accordingly based on relevancy and importance. Confidential papers or urgent proposals are also tabled at the Board meetings under specially arranged meetings.</p> <p>The format and structure of the Board papers are designed to ensure that all matters brought to the Board and Board Committee meetings contain sufficient details, clear, and concise. The Board papers are prepared to enable the Directors to comprehend the subject matters within a short period of time upon reading the papers. Minutes of previous Board meetings are circulated together with the Board papers for the Board's perusal before confirmation of the minutes. The Board may refrain from considering any last-minute inclusion of agenda items during a meeting unless the matter is of genuine and exceptional circumstances.</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 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 Company's Board Charter stipulates the roles of the Board, Chairman, MD as well as the functions of the respective Board Committees.</p> <p>A schedule of matters reserved for the Board to ensure that the direction and control of the Company are in its hands are provided in the Board Charter.</p> <p>The Board has approved the revision of the Board Charter on 28 February 2022. In revising the Company's Board Charter, the Board is guided by the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia and that the revised clauses therein are in line with the Companies Act 2016, the Constitution of the Company and MCCG 2021.</p> <p>The latest version of Board Charter is available on the Company's website at https://mahb.listedcompany.com/board_charter.html</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 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	:	<p>The Company has its Code of Ethics and Conduct (the Code) which is intended to provide clear guidelines on permissible or non-permissible conducts in running the business of the Group. It is implemented to ensure that all employees of the Company and its representatives comply with the same standard of conduct. It also serves as guidelines when making judgment calls on work ethics, including in bridging and fostering close relationships between the Company and its business partners. The business code of conduct for the Board are subject to the various regulatory requirements and provisions of laws such as the Companies Act, Listing Requirements of Bursa Malaysia Securities Berhad, and Securities Commission Act.</p> <p>The Code applies to all the Company's employees and representatives including agents, consultants, contractors, and suppliers: -</p> <p><u>Employees</u></p> <p>All employees of the Company are required to understand and comply with the Code, uphold integrity, and adhere to all regulatory requirements and provisions of laws in all countries where the Company conducts its business. They are also required to carry out their works in a manner consistent with the Company's policies, procedures, directives and guidelines as issued from time to time.</p> <p><u>Line Managers</u></p> <p>As leaders in the Company, Line Managers assume additional responsibilities in ensuring their direct reports understand and comply with the Code, promoting compliance and good ethical values via leadership by example, and diligently on the lookout for indications that unethical or illegal activities, malpractice, or other irregularities and to report the matter to the Head or Industrial Relations of Human Capital Division.</p>

	<p><u><i>Business Partners and Suppliers</i></u></p> <p>Suppliers are expected to conform to the principles and standards set out in the Code in their relationship and dealings with the Company. Violation of the Code will result in blacklisting by the Company. Business Partners are encouraged to adopt similar principles and standards of behaviour.</p> <p>The Code is made available on the Company's website at www.malaysiaairports.com.my</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

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 recognised that as part of the Company's holistic governance framework it is imperative to ensure a whistleblowing programme is in place. In this regard, the Board establishes a Whistleblowing Independent Committee (WIC) which is currently chaired by YBhg. Datuk Azailiza Mohd Ahad, Independent Non-Executive Director, who is also a member of the Board Audit Committee (BAC). Members of WIC are selected from diverse backgrounds within the Company's business operations to ensure that it is well represented, whilst BAC acts as the oversight committee for WIC.</p> <p>The Company also adopts a Whistleblowing Policy in line with the provision of Listing Requirements of Bursa Malaysia Securities Berhad. The objective of the policy is to provide a structured reporting channel and guidance to the Company's employees and external parties to raise concerns on improprieties or potential improprieties in the Group, if any. The Whistleblowing Policy is reviewed at least once every three years.</p> <p>The scope of the Whistleblowing Policy covers potential improprieties inter alia as follows: -</p> <ol style="list-style-type: none">1. Commission of fraud, bribery and/or corruption.2. Unauthorised use of Group's funds, properties and/or facilities.3. Exposure of Group's properties, facilities and/or staff to risks of safety and security.4. Abuse of position.5. Involvement in unlawful act.6. Negligence/malpractice; and7. Disclosure of Group's information without proper authorisation. <p>The above list is non-exhaustive and includes any act or omission, which if proven, will constitute act of misconduct under the Company's Code of Ethics and Conduct or any criminal offence under relevant legislations.</p> <p>The policy, however, does not cover:</p>

	<ol style="list-style-type: none"> 1. False concerns. 2. Defaming concerns. 3. Concerns with no basis or insufficient evidence; and 4. Malicious concerns. <p>The identity of the whistle-blower is kept confidential, and protection is accorded against any detrimental action within the Group to the extent reasonably practicable.</p> <p>The Whistleblowing Policy, procedures, structure, and Reporting of Concern Form are published on the Company's website.</p> <p>The WIC will assess all information received and act in accordance with its Terms of Reference. Subsequently, the WIC will submit its report to the BAC.</p> <p>Concerns can be channelled online at www.malaysiaairports.com.my via the Whistleblowing Programme Reporting of Concern Form, or emailed to wic_secretariat@malaysiaairports.com.my, or by calling 03-8777 7314 or 019-659 2263.</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 Board incorporates its agenda on sustainability as part of the Board Charter to ensure that sustainability considerations are taken into account when exercising its duties.</p> <p>The Company also establishes a Sustainability Policy with its guiding principles as follows: -</p> <ol style="list-style-type: none"> 1) To comply with, and exceed where practicable, all applicable legislation, regulations and codes of practice. 2) To integrate sustainability considerations into all our business decisions. 3) To ensure that all employees are fully aware of our Sustainability Policy and are committed to implementing and improving it. 4) To minimize the impact on sustainability in operations and business processes. 5) To ensure suppliers and service providers are aware of our Sustainability Policy and encourage them to adopt sound sustainable management practices; and 6) To review, annually report, and to continually strive to improve our sustainability performance. <p>Strategic management of material sustainability matters is driven by Senior General Manager (Strategy) and Senior Manager (Sustainability).</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 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	:	<p><u>Communicating Sustainability Strategies</u></p> <p>The Company’s Sustainability Policy is supported by its Environmental Management Policy and Environmental Protection Policy. The three policies are published on the Company’s website at https://www.malaysiaairports.com.my/about-us/corporate-profile/our-policies.</p> <p><u>Communicating Sustainability Targets</u></p> <p>The Company’s Green Airport Strategy targets a 50% reduction in carbon emission and waste by 2030 amongst other environmental goals.</p> <p><u>Communicating Sustainability Performance against targets</u></p> <p>The Company publishes its Sustainability Report on an annual basis in accordance with the standards set by Global Reporting Initiative (GRI) to communicate on its contribution to sustainable development and relevant achievement.</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 4.3

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	:	<p>During the year under review, members of the Board attended sustainability-related courses, workshops, and seminars to ensure they stay abreast and equipped with sustainability issues relevant to the company and its business.</p> <p>The types of trainings and courses attended by members of the Board can be found in the Corporate Governance Overview Statement in 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

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	:	Applied	
Explanation on application of the practice	:	<p><u>Performance Evaluation of the Board</u></p> <p>Board Performance Evaluation is conducted annually using a set of questionnaires issued by the Company Secretary of which the findings indicated that the Board feels adequate information on sustainability have been provided by Management.</p> <p><u>Performance Evaluation of the Senior Management</u></p> <p>Performance evaluation of Senior Management is conducted annually using the corporate scorecard methodology. The method is being used to evaluate sustainability-related performance in accordance with each division relevant ESG criteria.</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 4.5- 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.

<i>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.</i>	
Application	: Adopted
Explanation on adoption of the practice	: The Board identifies the Senior General Manager (Strategy) to oversee sustainability matters of MAHB. The Company also establishes the Management Sustainability Committee (MSC) to primarily act as a cross-functional committee from different business functions to provide an advisory role and support to the Executive Committee (EXCO) and the Board in all matters pertaining to sustainability and sustainable development arising from MAHB Group's activities by analysing Group-wide impact to our planet and people. MSC is also responsible in setting up sustainability strategies, plans, initiatives, analyse risks and opportunities to add values by linking to the United Nations Sustainable Development Goals, MAHB Sustainability Framework and Sustainability Policy.

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>In 2021, BNRC conducted a review of chairmanships of Board Committees as well as the length of service for all Directors of the Company on the Board and Board Committees.</p> <p>Among others, BNRC has been focusing on sourcing for a suitable candidate to succeed Encik Rosli Abdullah as Chairman of BAC as part of Board Succession Plan. Encik Rosli Abdullah will be retiring by end 2022 upon reaching nine (9) years of service in the Company. BNRC has also been focusing on sourcing for suitable candidates to succeed YBhg. Datuk Seri Yam Kong Choy and YBhg. Datuk Zalekha Hassan who will also retire by end 2022.</p> <p>The Board, via BNRC, reviews the performance of Directors who are subject to retirement and re-election at the AGM through the annual Board Performance Evaluation together with the evaluation of other Directors. This is carried out by giving due regard to their 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 retirement and re-election at the AGM for approval.</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	<p>As of the issuance of this CG Report, the Board consists of eleven (11) Directors, out of which 54.55% of them were INEDs. The composition of the Board as of the issuance of this CG Report is follows: -</p> <table border="1"><thead><tr><th>Designation</th><th>Number of Directors</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>Non-Independent Non-Executive Director (NINED)</td><td>5</td><td>45.45%</td></tr><tr><td>Independent Non-Executive Director (INED)</td><td>6</td><td>54.55%</td></tr></tbody></table> <p>The Board composition is also subject to the provision in the Constitution of the Company. Rule 113 of the Constitution states that the Minister of Finance Incorporated (MOF Inc), the Special Shareholder, shall have the right from time to time: -</p> <p>(a) To appoint any person; or</p> <p>(b) To nominate any acting director (with the consent of the Director concerned),</p> <p>to be a Government Appointed Director so that there shall not be more than six (6) Government Appointed Directors at any time comprising:</p> <p>(i) The Chairman of the Board;</p> <p>(ii) The Managing Director;</p> <p>(iii) One representative each from the Ministry of Finance and the Ministry of Transport; and</p> <p>(iv) Two other representatives as may be determined.</p> <p>The Company falls under the definition of Large Companies and complies with the best practice recommendation of MCCG 2021 that the Board comprises majority INEDs in 2021. The Board will continue to engage with MOF Inc. to ensure continuity of compliance.</p>	Designation	Number of Directors	Percentage (%)	Non-Independent Non-Executive Director (NINED)	5	45.45%	Independent Non-Executive Director (INED)	6	54.55%
Designation	Number of Directors	Percentage (%)								
Non-Independent Non-Executive Director (NINED)	5	45.45%								
Independent Non-Executive Director (INED)	6	54.55%								

	<p>During the year 2021, BNRC undertook a review of independence of the INEDs. The independence of the Directors is determined according to the independence criteria as set out in Paragraph 1.01 of the Main Market Listing Requirements. In 2021, all six (6) INEDs satisfied the independence criteria. It was concluded that each of the INED possess independent traits and judgement as expected from them. The Board was satisfied that the INEDs represented the interest of the minority shareholders by virtue of their roles and responsibilities. The Board will continuously monitor and review whether there are relationships or circumstances that could likely to affect or has potential to affect their independence.</p> <p>The Board Charter provides that the Board should include a balance of INEDs and NINEDs such that no individual or small group of individuals can dominate the Board’s decision making.</p> <p>INEDs provide independent judgment, experience, and objectivity without being subordinated to operational considerations. The views of the INEDs should carry weight in the Board’s decision-making process.</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 5.3

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	:	Not applicable - Step Up 5.4 adopted	
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

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>																															
Application	:	Adopted																													
Explanation on adoption of the practice	:	<p>The Board adopts a policy that limits the tenure of INEDs to nine (9) years as stated in the Board Charter. During the year 2021, none of the INEDs had served the Company more than nine (9) years.</p> <p>The INEDs length of service as of 31 December 2021 is as follows: -</p> <table border="1"><thead><tr><th>No.</th><th>Name of INED</th><th>Date Appointed</th><th>Length of Service</th></tr></thead><tbody><tr><td>1</td><td>YBhg Datuk Seri Yam Kong Choy</td><td>1 December 2013</td><td>> 6 years</td></tr><tr><td>2</td><td>YBhg Datuk Zalekha Hassan</td><td>1 January 2014</td><td>>6 years</td></tr><tr><td>3</td><td>Encik Rosli Abdullah</td><td>1 January 2014</td><td>>6 years</td></tr><tr><td>4</td><td>YBhg Dato' Ir. Haji Mohamad Husin</td><td>15 August 2016</td><td>> 3 years</td></tr><tr><td>5</td><td>YBhg Datuk Azailiza Mohd Ahad</td><td>8 November 2016</td><td>> 3 years</td></tr><tr><td>6</td><td>Encik Ramanathan Sathiamutty</td><td>1 January 2019</td><td>>3 years</td></tr></tbody></table> <p>With regards to subject matter experts who are appointed as INEDs on the boards of subsidiaries of the Group, the Company adopts a policy that limits their tenure to 6 years.</p>		No.	Name of INED	Date Appointed	Length of Service	1	YBhg Datuk Seri Yam Kong Choy	1 December 2013	> 6 years	2	YBhg Datuk Zalekha Hassan	1 January 2014	>6 years	3	Encik Rosli Abdullah	1 January 2014	>6 years	4	YBhg Dato' Ir. Haji Mohamad Husin	15 August 2016	> 3 years	5	YBhg Datuk Azailiza Mohd Ahad	8 November 2016	> 3 years	6	Encik Ramanathan Sathiamutty	1 January 2019	>3 years
No.	Name of INED	Date Appointed	Length of Service																												
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5	YBhg Datuk Azailiza Mohd Ahad	8 November 2016	> 3 years																												
6	Encik Ramanathan Sathiamutty	1 January 2019	>3 years																												

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 nomination and appointment of Directors is a vital process as it determines the Board composition as well as the quality and competency each Director brings to the Board. The BNRC is entrusted by the Board to review candidates for new appointments to the Board and determine the criteria for the selection and appointment of new Directors.</p> <p>The BNRC maintains its independence and objectivity in discharging its responsibility on appointment of Directors, Senior Management and matters relating to human capital and employees.</p> <p>In making its recommendation on candidates for new Board members, BNRC will consider the following: -</p> <ol style="list-style-type: none">1. Skills, knowledge, competencies, expertise, and experience.2. Professionalism.3. Integrity.4. Commitment, contribution, and performance; and5. 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 from an INED. <p>Based on the above criteria, suitable candidates will be identified to fill vacancies on the Board and Board Committees as and when they arise. BNRC has access to a list of potential candidates which is maintained by the Company Secretary. The potential candidates are gathered through recommendations by existing Board members, major shareholders, and through external independent sources.</p> <p>The same principle is cascaded from the Board to the Senior Management throughout the Group. The appointment of Senior Management is also based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background, and gender.</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 5.6

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	:	<p>Apart from leveraging on its existing Board members' networks and shareholders' recommendations, the Company sources for potential new Directors from industry databases for the appointment of INEDs on the Board.</p> <p>The sourcing of potential new Directors for appointment of INEDs on the Board is also carried out by the Company Secretary as he is tasked to screen Directors of other listed issuers and table the list of potential candidates to BNRC on regular basis.</p> <p>In 2021, the Company engaged Institute of Corporate Directors Malaysia (ICDM) to source for potential candidates for INEDs in view of anticipated retirement of the following members of the Board as they will complete 9 years of service by end-2022: -</p> <table border="1"><thead><tr><th>Directors</th><th>Completion Date of 9-year tenure</th></tr></thead><tbody><tr><td>YBhg. Datuk Seri Yam Kong Choy</td><td>30 November 2022</td></tr><tr><td>YBhg. Datuk Zalekha Hassan</td><td>31 December 2022</td></tr><tr><td>Encik Rosli Abdullah</td><td>31 December 2022</td></tr></tbody></table>	Directors	Completion Date of 9-year tenure	YBhg. Datuk Seri Yam Kong Choy	30 November 2022	YBhg. Datuk Zalekha Hassan	31 December 2022	Encik Rosli Abdullah	31 December 2022
Directors	Completion Date of 9-year tenure									
YBhg. Datuk Seri Yam Kong Choy	30 November 2022									
YBhg. Datuk Zalekha Hassan	31 December 2022									
Encik Rosli Abdullah	31 December 2022									
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	:	The Board, via BNRC, reviews the performance of Directors who are subject to retirement and re-election at the AGM through the annual Board Performance Evaluation together with the performance evaluation of other Directors. This is carried out by giving due regard to their performance and the ability to continue to contribute to the Board in terms of knowledge, skills, and experience. With regards to INEDs, the Board Performance Evaluation also focuses on the assessment of their independence. The Board thereafter submits its recommendation to the shareholders on the retirement and re-election at the AGM for approval.	
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	:	<p>The Board Nomination & Remuneration Committee (BNRC) is chaired by an INED, i.e., YBhg. Datuk Azailiza Mohd Ahad. She has been the Chairman of BNRC since 2019.</p> <p>The Terms of Reference of BNRC stipulates that the composition of BNRC shall have at least three (3) members consisting of majority INED. The quorum for BNRC meetings is at least two (2) members of which one should be an INED. The composition would allow for robust discussions and constructive assessment of matters presented to BNRC.</p> <p>The BNRC maintains its independence and objectivity in discharging its responsibility of overseeing the appointment and affairs of Directors, Senior Management and matters relating to human capital and employees as provided under its Terms of Reference.</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 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has always been supportive of the Government’s agenda to achieve the target at least 30% Women Directors on the boards of public listed companies. The Company adopts a Board Diversity Policy which is consistent with the Government’s target. As at the date of this report, the Board is represented by five (5) Women Directors who make up 45.45% of its composition. During the year under review, the Board had 36.36% Women Directors in its composition for a period of six (6) months.</p> <p>Whilst having high regard to gender diversity, the Board recognises that its members should also be appointed based on other merits and considerations such as cultural background, expertise, types of exposures, and expertise. To achieve the intended outcome the current Board composition is lined up to consist of members from various disciplines, e.g., legal, engineering, accounting, finance, procurement, information technology, public sector, those with experience from multinational companies, etc. The diverse backgrounds would translate into robust deliberations at Board meetings, which then ensures that the decisions are made in the best interest of the Company and balancing the various stakeholders’ interests.</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 5.10

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 disclosed in its annual report a Board Diversity Policy which has been established since 2018. The policy provides that the Board will always maintain minimum 30% Women Directors in its composition.</p> <p>The gender diversity philosophy is cascaded from the Board to the Senior Management throughout the Group. The Company will continue to take steps to promote diversity, including gender diversity, at operational as well as management level and strive to inculcate a working environment which is free from discrimination. The policy on diversity is also implemented in recruitment and promotion processes.</p> <p>Whilst having regard to gender diversity, the Board also recognises that diversity should also be considered from other aspects such as cultural background, expertise, types of exposures, and expertise.</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	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Company uses a set of questionnaires which is developed internally as a tool to carry out its annual Board Performance Evaluation (BPE) for the Board, Board Committees, individual Directors, and MD covering the following areas: - <ol style="list-style-type: none">1. Board composition.2. Board role and functioning.3. Information management.4. Corporate social responsibility.5. Monitoring company's performance.6. Board Committee's effectiveness.7. Board priorities.8. MD performance evaluation and succession plan.9. Director development and management.10. Risk management.11. Board committee evaluation; and12. Director self/peer evaluation. The strength, weaknesses, issues, and comments identified from the BPE were presented to BNRC, whereafter the agreed action plans would be recommended to the Board for implementation. The Board had further deliberated the findings and views of each Board member which would be used as a yardstick to measure the Board's effectiveness. The outcome and action plans from BPE form the basis to formulate a Board Performance Improvement Plan (BPI) for the following year.

	<p>While the annual assessment of performance of BAC is being implemented by the Company on annual basis and that the questions for assessment of BAC in the BPE questionnaire will be enhanced from time to time to ensure its applicability with the latest rules and regulations.</p>	
	<p>In 2018, the Board appointed a consultant, namely Aon Hewitt Malaysia Sdn Bhd to provide advice on the evaluation of its effectiveness. However, the Company did not engage any independent expert to advise on Board performance evaluation in 2021 as it considered that the current methodology as explained above is still able to meet the intended outcome. Nonetheless, the Board took cognisance of the recommended practice and will appoint an independent expert in 2022.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	An independent expert will be appointed in 2022.
Timeframe	:	31 December 2022

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board remuneration structure is reviewed by benchmarking the Chairman's and the Directors' remuneration against peer companies, locally and regionally. The Board ensures that the remuneration accorded to the Directors of the Company would continue to attract and retain individuals of high calibre who bring to the Company the necessary skills and experience required for the effective management and operations of the Group. The calibre of the Directors serving the Company is essential in upholding the standards of corporate governance.</p> <p>The MD's remuneration comprises basic salary and other customary benefits which reflect his responsibilities. Whilst the Directors' remuneration package, comprises Directors' fees and emoluments as well as benefits-in-kind, which reflect the individual's roles and responsibilities.</p> <p>The terms relating to the Directors' remuneration are available in Clause 8 the Board Charter on the Company's website https://mahb.listedcompany.com/board_charter.html</p> <p>The remuneration structure and its details are available in the Corporate Governance Overview Statement for 2021.</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 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	:	<p>The Board is assisted by Board Nomination & Remuneration Committee (BNRC) to review and recommend matters relating to the remuneration of the Board and Senior Management. Among others, the Terms of Reference of BNRC states that BNRC shall review and recommend to the Board the following: -</p> <ol style="list-style-type: none">1. To review and recommend to the Board the Directors' fees, allowances, and other fringe benefits to be accorded to the Directors in accordance with the contribution and level of responsibilities undertaken by the Board of Directors.2. To review and recommend to the Board the remuneration structure and policy for MD and Company Secretary (including the terms of employment or contract of employment/service, benefits, pension or incentive scheme entitlement, bonuses, fees and expenses and any compensation payable on the termination of the service contract by the Company and/or Group and to review for changes to the policy, as necessary.3. To ensure that a strong link is maintained between the level of remuneration and individual performance against the performance of the Group and the achievement of the organisation's targets; the performance-related elements of remuneration setting form a significant proportion of the total remuneration package of the MD.4. To review and recommend MD's goals and objectives and to assess his performance against these objectives as well as contribution to the corporate strategy.

	<p>5. To establish and approve the remuneration structure and policy for Senior Management (including the terms of employment or contract of employment/service, benefits, pension or incentive scheme entitlement; bonuses, fees and expenses and any compensation payable on the termination of the service contract by the Company and/or Group and to review for changes to the policy, as necessary.</p> <p>6. To review and approve Senior Management’s goals and objectives and to assess their performance against these objectives as well as contribution to the corporate strategy.</p> <p>7. To establish and approve the scheme of service for Senior Management.</p> <p>8. To review and approve the general remuneration policies and practices for Senior Management.</p> <p>9. To establish suitable short and long-term policies of having performance-related incentive schemes for Senior Management, where appropriate.</p> <p>The Terms of Reference of BNRC is available on the Company’s website.</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

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	:	<p>The detailed disclosure of remuneration of individual Directors on named basis which includes the remuneration breakdown includes fees, benefits-in-kind and other emoluments is provided at the following page.</p> <p>It is also available in the Corporate Governance Overview Statement in the Annual Report for 2021.</p>

No	Name	Directorate	Company (RM)							Group (RM)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind^^	Other emoluments^	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind^^	Other emoluments^	Total
1	Dato' Seri Diraja Dr. Zambry Abd Kadir	Non-Executive Non-Independent Director	216,000.00	0.00	0.00	0.00	4,339.80	296,558.50	516,898.30	243,866.67	0.00	0.00	0.00	4,339.80	301,058.50	549,264.97
2	Dato' Zamzuri Abdul Aziz <i>(Resigned with effect from 8 March 2022)</i>	Non-Executive Non-Independent Director	144,000.00	0.00	0.00	0.00	0.00	64,000.00	208,000.00	191,741.94	0.00	0.00	0.00	0.00	70,000.00	261,741.94
3	Dato' Amiruddin Muhamed <i>(Alternate Director to Dato' Zamzuri Abdul Aziz) (Ceased to act as alternate with effect from 8 March 2022)</i>	Non-Executive Non-Independent Director	0.00	0.00	0.00	0.00	0.00	17,000.00	17,000.00	0.00	0.00	0.00	0.00	0.00	17,000.00	17,000.00
4	Normah Osman <i>(Appointed with effect from 26 April 2021)</i>	Non-Executive Non-Independent Director	98,000.00	0.00	0.00	0.00	11,852.00	50,000.00	159,852.00	118,200.00	0.00	0.00	0.00	11,852.00	52,400.00	182,452.00
5	Dato' Jana Santhiran Muniayan <i>(Resigned with effect from 4 January 2021)</i>	Non-Executive Non-Independent Director	1,548.39	0.00	0.00	0.00	0.00	0.00	1,548.39	2,451.62	0.00	0.00	0.00	0.00	0.00	2,451.62

6	Wong Shu Hsien*	Non-Executive Non-Independent Director	144,000.00	0.00	0.00	0.00	0.00	91,000.00	235,000.00	144,000.00	0.00	0.00	0.00	0.00	91,000.00	235,000.00
7	Rohaya Mohammad Yusof (Appointed with effect from 1 October 2021)	Non-Executive Non-Independent Director	36,000.00#	0.00	0.00	0.00	11,353.00	17,000.00	64,353.00	36,000.00#	0.00	0.00	0.00	11,353.00	17,000.00	64,353.00
8	Dato' Mohamad Nasir Ab Latif (Resigned with effect from 1 October 2021)	Non-Executive Non-Independent Director	108,387.10	0.00	0.00	0.00	0.00	58,000.00	166,387.10	108,387.10	0.00	0.00	0.00	0.00	58,000.00	166,387.10
9	Datuk Seri Dr. Yam Kong Choy	Independent Director	144,000.00	0.00	0.00	0.00	5,000.00	97,000.00	246,000.00	276,000.00	0.00	0.00	0.00	5,000.00	108,100.00	389,100.00
10	Datuk Zalekha Hassan	Independent Director	144,000.00	0.00	0.00	0.00	0.00	109,000.00	253,000.00	240,000.00	0.00	0.00	0.00	0.00	118,000.00	358,000.00
11	Rosli Abdullah	Independent Director	144,000.00	0.00	0.00	0.00	350.00	91,000.00	235,350.00	264,000.00	0.00	0.00	0.00	350.00	123,100.00	387,450.00
12	Dato' Ir. Mohamad Husin	Independent Director	144,000.00	0.00	0.00	0.00	7,000.00	97,000.00	248,000.00	240,000.00	0.00	0.00	0.00	7,000.00	107,500.00	354,500.00
13	Datuk Azailiza Mohd Ahad	Independent Director	144,000.00	0.00	0.00	0.00	0.00	114,000.00	258,000.00	212,678.57	0.00	0.00	0.00	0.00	121,200.00	333,878.57
14	Ramanathan Sathiamutty	Independent Director	144,000.00	0.00	0.00	0.00	0.00	97,000.00	241,000.00	221,033.33	0.00	0.00	0.00	0.00	125,200.00	346,233.33
15	Dato' Iskandar Mizal Mahmood**	Executive Director	0.00	0.00	227,032.25	0.00	16,210.54	0.00	243,242.79	0.00	0.00	227,032.25	0.00	16,210.54	0.00	243,242.79

This disclosure is for the payment made to the respective Directors in financial year 2021.

* *The total remuneration amount paid to Khazanah Nasional Berhad, the major shareholder of the company, in respect of services rendered to the Company by Ms. Wong Shu Hsien.*

- # *50% of director fees paid to Employee Provident Fund (EPF), in respect of services rendered to the Company by Puan Rohaya binti Mohammad Yusof.*
- ** *Being the Managing Director.*
- ^ *Directors' Other Emoluments comprises Senior Independent Director allowance, meeting allowance, car allowance°, entertainment allowance°, personal assistance allowance° and out-of-pocket expenses.*
- ^^ *Benefits-in-kind comprises car°, petrol°, driver°, IT & telecommunication devices, club° and professional membership.*
- ° *For Chairman only.*
- °° *For Managing Director only.*

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 disclosure on Senior Management remuneration package is stated within the range of RM50,000 to RM78,000 on a no-name basis in the Annual Report 2021.</p> <p>The Company places great importance on the retention of talented employees as its success is dependent on ability to attract, motivate and retain the right talented employees. Among the strategies to support this ambition is a competitive remuneration policy. Therefore, the Company strives to maintain talented employees to ensure that the objectives of the Company are met. However, the Company opts not to disclose the remuneration of Senior Management to avoid negative implications such as: -</p> <ol style="list-style-type: none">1. Disclosures may lead to pay inflation as employees may benchmark and compare amongst themselves.2. Attempts by external parties to lure high performing employees.3. Dissatisfaction among employees resulting from differences of remuneration packages among the executives.4. Invasion of privacy and may expose named officers to extortion attempts and other criminal acts; and5. Discourage employees from taking up the position due to disclosure of personal data. <p>In achieving the intended outcome, the Senior Management's remuneration package is subject to review and approval by the BNRC. To ensure competitiveness in offerings, the packages are reviewed from time to time.</p>
		<p>The Senior Management's performance is evaluated on a yearly basis. At the beginning of each year, the Key Performance Indicators (KPIs) are set by the Board and cascaded to the Senior Management. The</p>

	Senior Managements' performances are then reviewed in the middle of the year and at the beginning of the following year.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The disclosure on Senior Management's remuneration package is stated in the range of RM50,000 per month to RM78,000 per month on a no-name basis in the Annual Report 2021.
Timeframe	:	The Board will review the appropriateness and necessity of adopting this practice from time to time.

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 Chairman of the Board Audit Committee (BAC) is Encik Rosli Abdullah. He is an INED and not the Chairman 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 has formalised in the Terms of Reference of the BAC that a former key audit partner shall serve a cooling-off period of three (3) years before being appointed as a member of the BAC.</p> <p>Currently, none of the member of the Board is a former key audit partner of the external auditors of the Company. Therefore, there is no such person to be appointed as a member of the BAC.</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 Group's transparent and professional relationship with the external auditors is primarily maintained through the Board Audit Committee (BAC). The key features underlying the BAC's relationship with the external auditors are provided in Annual Report 2021 under the BAC Report. The terms of engagement of the external auditors are reviewed by the BAC prior to submission to the Board for approval.</p> <p>The BAC works closely with Management in assessing the suitability and independence of the external auditors and has obtained confirmation from the external auditors that they are and have been, independent throughout the conduct of the audit engagement.</p> <p>To ensure full disclosure of matters, Messrs. Ernst & Young PLT (EY) are regularly invited to attend BAC meetings. Under the Companies Act 2016, EY are also required to attend the AGM of the Company. During the financial year under review, two (2) private sessions took place between BAC and the external auditors in the absence of Management to discuss the adequacy of controls and any judgmental areas for greater exchange of views and opinions between both parties in relation to Financial Reporting.</p> <p>In February 2022, in their auditors' report to the BAC, EY provided a written assurance that they had been independent throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements in respect of the audited financial statements of the Group for the financial year ended 31 December 2021.</p> <p>To ensure that the external auditors' independence and objectivity are not compromised by the provision of non-audit services, the Company excludes them from providing services on corporate exercises, due diligence, other non-audit and non-tax-related services, unless the services offered by the external auditors are more effective or competitively priced, and they are the expert in the field against other providers.</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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	Encik Rosli Abdullah, the Chairman of BAC, is a member of the Malaysian Institute of Accountants. All members of BAC are financially literate and possess sufficient understanding of the Company's business operations. The Board is satisfied that the BAC members have discharged their functions, duties, and responsibilities in accordance with the Terms of Reference of the BAC. All members of the BAC have attended the courses/trainings relating to accounting and audit as attached in Appendix 2 .
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 Board has implemented a risk management and internal control system that is integrated with the Group's corporate culture and decision-making process with the ultimate objective to safeguard the Group's assets, shareholders' investment, and other stakeholders' interests.</p> <p>The Board Risk Management Committee (BRMC) and Board Audit Committee (BAC) are in place to monitor governance, transparency, and accountability towards the establishment of an appropriate control environment and to review its adequacy and integrity on a periodic basis to ensure its effectiveness.</p> <p>The implementation and execution of the risk management and internal control system are cascaded to the Management. With the establishment of the Corporate Risk Management Committee (CRMC) and Internal Audit Management Committee (IAMC), these committees are responsible to manage the agreed risk treatments and monitor risk controls directed by the respective Board Committees to provide a sustainable business environment in the Group.</p> <p>The Statement on Risk Management and Internal Controls (SORMIC) which provides an overview of the state of internal controls in the Group is set out in 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

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	:	<p>The Board via Board Risk Management Committee (BRMC) oversees the risk management matters of the Group.</p> <p>In relation to the risk management process, the Group's risk management and internal control system is operating adequately and effectively as of 31 December 2021.</p> <p>In implementing the risk management framework, the Company follows the Three-lines of Defence Model as follows:</p> <ol style="list-style-type: none"> 1) 1st Line of Defence: Business Operations <ul style="list-style-type: none"> - Implement risk and internal control measures 2) 2nd Line of Defence: Oversight Functions <ul style="list-style-type: none"> - Strategic management - Policy & procedures setting - Functional oversight 3) 3rd Line of Defence: Independent Assurance <ul style="list-style-type: none"> - Independent challenge and assurance <p>The Board has disclosed the key features of its risk management and internal controls system as well as its adequacy and effectiveness as stated in the SORMIC published in the Annual Report 2021.</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	:		
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Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board is assisted by Board Risk Management Committee (BRMC) which comprises majority INEDs to oversee the Company's risk management framework and policies. At present, the BRMC has five (5) members of which three (3) are INEDs.

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	<p>BAC is supported by Internal Audit Division (IAD) in discharging its duties and responsibilities. The internal audit authority, responsibilities and scope of work are defined in the Internal Audit Charter as approved by the BAC. The Internal Audit Charter is in line with the standards and principle outlined in the International Professional Practices Framework (IPPF) issued by The Institute of Internal Auditors (The IIA).</p> <p>In determining the priorities for internal audit activities, IAD applies a risk-based approach, where the annual audit plan is reviewed periodically, taking into consideration changes in risk exposure and operating environment including the impact of prolonged Covid-19 pandemic.</p> <p>An Audit Management System is used to enhance the effectiveness and efficiency of the audit process. Execution of audit engagements are guided by the Committee of Sponsoring Organisations (COSO) and Control Objectives for Information and Related Technologies (COBIT) framework in ensuring that IAD conforms to the Standards and deliver value-added services.</p> <p>The IAD audit universe includes functions on governance, risk management and review of controls in the areas of, but not limited to corporate, governance and compliance, information systems, airports (operations, engineering, revenue management, safety, and security) and other subsidiaries' business in aviation services, airport commercial and retail, facilities & infrastructure management, hospitality management, airport consultancy, agriculture, and Aeropolis.</p> <p>Periodically, IAD presented to the BAC the updates on its activities comprising key highlights of areas reviewed, follow-up of outstanding issues, progress of the 2021 Annual Audit Plan and ad hoc assignments. During financial year ended December 2021, the Internal Audit function at ISG and SGC reports to the Acting General Manager IAD of MAHB, and relevant updates on the activities undertaken were presented to the ARC of ISG and SGC.</p> <p>Group IAD performed its audits which include among others the following key areas in accordance with the Audit Plan:</p>

	<p>Corporate Group Risk Assessment, Internal Assurance Provider - Effectiveness of 2nd Line of Defense, Business Continuity Management, Third Party Risk – Vendor.</p> <p>Governance Ethics and Integrity Readiness, Limit of Authority, Accounts Payables, Payroll Data and Process, Procurement, Commercial Contracts.</p> <p>Information Technology Facilities Management Systems, Revenue Related Systems.</p> <p>Operation Quality of Service, Commercial Sustainability – New POS System, Car Park Management, Commercial Revenue – Strategy, Reset, and Covid-19 Impact, e-commerce, Engineering Aerodrome, Supply Chain, Airport Operations, Safety and Security, and Confiscated and Lost and Found items.</p> <p>Financial Security Expenses</p> <p>Others* Investigations, Special Reviews, and Projects. * Request from the Board, Board Committees, Management or arising from whistleblowing programmes.</p> <p>During the financial year under review, Group IAD issued a total of thirty-eight (38) Internal Audit reports, including six (6) for ISG and five (5) for SGC.</p>
<p>Explanation for departure</p>	<p>:</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>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

Practice 11.2

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>All personnel of the Internal Audit Division (IAD) are required to disclose any relationship or conflict of interest to safeguard against any potential impairment of objectivity, independence of internal audit and abide to IIA Code of Ethic.</p> <p>In demonstrating the knowledge and skills necessary for fulfilling the current obligations of the internal audit, certifications earned by the auditors are CIA, CISA, ACCA, ISMS and PMP. As of 31 December 2021, IAD had a total of 20 auditors from the following backgrounds:</p> <table border="1"><thead><tr><th>Discipline</th><th>No. of Internal Auditors</th></tr></thead><tbody><tr><td>Accounting, Actuarial, Finance & Business</td><td>12</td></tr><tr><td>Information Technology & Business</td><td>4</td></tr><tr><td>Engineering</td><td>3</td></tr><tr><td>Operations</td><td>1</td></tr><tr><td>Total</td><td>20</td></tr></tbody></table> <p>Puan Ainon Mahat was appointed as Acting General Manager of Internal Audit Division since 1 January 2019. She is a Certified Internal Auditor (CIA) and a Chartered Member of The Institute of Internal Auditors (IIA). She holds an MBA from Universiti Teknologi MARA focusing on Airport Management. She also holds a Bachelor of Science in Business Administration majoring in Computer Business Information Systems from University of Arkansas, Fayetteville USA, a Graduate Diploma in Business Administration (Airport Management) from National University of Singapore and attended Executive Navigators Program by INSEAD, Singapore.</p> <p>In order to enhance the function of Internal Audit, Encik Rosman Nordin was appointed as Head of Internal Audit effective from 21 March 2021. He holds an MBA from Open University Malaysia and a Bachelor of Accountancy from University Utara Malaysia. He is a Chartered Accountant from the Malaysian Institute of Accountants' (MIA) and a member of the IIA.</p>	Discipline	No. of Internal Auditors	Accounting, Actuarial, Finance & Business	12	Information Technology & Business	4	Engineering	3	Operations	1	Total	20
Discipline	No. of Internal Auditors												
Accounting, Actuarial, Finance & Business	12												
Information Technology & Business	4												
Engineering	3												
Operations	1												
Total	20												

	<p>Audit engagements are guided by the Committee of Sponsoring Organisations (COSO) and Control Objectives for Information and Related Technologies (COBIT) framework in ensuring IAD conforms to the Standards and deliver value-added services.</p> <p>External quality assessment by a qualified independent reviewer is conducted every five years since year 2008 to ensure that audit work performed by the Internal Auditors is in line with The Institute of Internal Auditors standards. Based on the external quality assessment conducted by The IIA Malaysia in 2018, the IAD has fulfilled the key objectives in accordance with The IIA's International Standards for the Professional Practice of Internal Auditing, with the rating of 'Generally Conform'.</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

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>Disciplined measurement of the performance is an important aspect in managing the shareholders and other stakeholders' interest in the Company. In this regard, the Company ensures that the reporting of financial and non-financial results is conducted in a transparent manner. Several formal communication channels are used to account to shareholders with regards to the performance of the Group. These include the Annual Report and press releases/announcements, whilst the institutional shareholders may raise enquiries to the Company by contacting the Investor Relations Division.</p> <p>The Company's Investor Relations Policy provides an avenue for an effective communication with the shareholders, prospective investors, stakeholders, and the public in general with the intention of giving them a clear picture of the Group's performance and operations. To maintain transparency and to effectively address any matters and concerns, the Company has a dedicated email - ir@malaysiaairports.com.my to which stakeholders can direct their queries.</p> <p>The Company is committed to ensure that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company.</p> <p>The Company's practice is to disseminate all price sensitive, material information in a timely manner as required by the Listing Requirements of Bursa Malaysia and to the market and community generally through media releases, social media platforms, corporate website and other appropriate channels. Each division is required to immediately inform the Company Secretary on any potential price sensitive and material information.</p> <p>The Company utilises its corporate website, www.malaysiaairports.com.my and social media platforms as means of disseminating information to the shareholders, stakeholders, and the investment community. The Company discloses information on the latest news through media releases, featured in a section called "News</p>

	<p>Centre” on its website and social media platforms. Employees will also be informed of any important news, to be issued via internal communications platform such as emails. In addition, the Company has dedicated a section on its website to its investors where corporate presentations, annual reports, quarterly reports, annual financial statements, announcements, stock market and financial information can be viewed.</p> <p>The Company has also utilised information technology to effectively disseminate information regarding the dates scheduled for release of its quarterly results.</p> <p>The quarterly financial results are announced via Bursa LINK immediately after the Board’s approval on the same day and the analyst/media briefings are conducted for every quarterly financial result announcement. This is important in ensuring equal and fair access to information is provided to the investing public so that they can make timely and informed decisions.</p> <p>The details of engagement with major shareholders, major stakeholders, institutional shareholders, and private shareholders are provided in the Corporate Governance Overview Statement published in the Annual Report 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 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	:	Applied	
Explanation on application of the practice	:	<p>Annual Report 2021 was prepared by fully adopting the guiding principles and content elements of the International Integrated Reporting Framework prescribed by the International Integrated Reporting Council (IIRC).</p> <p>In line with the global best practice, the Company will continuously improve its Integrated Reports to enhance the quality of information disclosures and in doing so, demonstrates the relationship between our resources, actions and the value created.</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 13.1

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>The Notice of the Company's AGMs are circulated 28 days before the date of the meeting to enable shareholders to go through the Annual Report, fulfilling the 21-day requirement under the Companies Act 2016, Listing Requirements of Bursa Malaysia as well as the recommendation of MCCG 2021. The additional time given to shareholders allows them to make the necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.</p> <p>Originally, the Notice of 22nd AGM was issued on 30 April 2021 for the meeting to be held on 2 June 2021.</p> <p>On 28 May 2021, the Government announced the 1st Phase of nationwide total lockdown for 14 days beginning 1 June 2021. To comply with the ruling, the Securities Commission Malaysia (SC) has revised the guidelines on Conduct of General Meetings effective 1 June 2021 (SC Guidance Note) where listed issuers were only allowed to conduct fully virtual meetings via online platforms. Physical gathering irrespective of size is prohibited.</p> <p>Considering the implementation of the total lockdown and the SC Guidance Note, the Board of Directors had agreed that the Company's 22nd AGM be postponed to a later date. Relevant announcement was made to Bursa Securities on the postponement.</p> <p>On 13 August 2021, the Company issued the Notice of Postponed 22nd AGM to notify the shareholders that the 22nd AGM of the Company would be held on Monday, 13 September 2021 at 11.00 a.m. The 22nd AGM was held on a fully virtual basis on 13 September 2021 via live streaming and remote participation and electronic voting facilities hosted on the SSeP (at https://sshbs.net.my/ (MYNIC Domain Registration No.: D4A004360).</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors had participated in the Company’s 22nd AGM held on 13 September 2021 via remote participation through live streaming from their respective locations.</p> <p>The Chairman and other Board members, former GCEO, Senior Management and external auditors were in attendance to respond to shareholders’ queries. The former GCEO had also shared with the shareholders the Company’s responses to questions which were submitted in advance by the Minority Shareholder Watch Group (MSWG).</p> <p>The Chairmen of BAC, BNRC, BRMC, Board Finance & Investment Committee, and Board Procurement Committee were on standby to provide responses if there were any questions addressed to them.</p> <p>During the 22nd AGM, the Chairman invited members to raise questions and seek clarifications on the proposals tabled via an online platform.</p> <p>Appropriate answers and clarification were provided by Board members, Chairmen of Board Committees and Senior Management to allow the shareholders to make informed voting decisions at 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 13.3

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>On 13 September 2021, the 22nd AGM of the Company was held on a fully virtual basis through online remote participation and voting facilities (RPV) via Securities Services e-Portal (SSeP) as provided by SS E Solutions Sdn Bhd (SSES) in view of the Covid-19 pandemic and enforcement of the Movement Control Order (MCO). It was conducted according to the Standard Operating Procedures (SOPs) for the 4-phase National Recovery Plan as announced by the Government on 15 June 2021.</p> <p>Participation at the 22nd AGM was restricted to shareholders, valid proxies, and authorised representative of corporate shareholders, and that discussions that transpired during the 22nd AGM were confidential and only for the information and knowledge of relevant parties. Hence, any photography, screenshot, or any form of audio and video recording were not permitted whilst the 22nd AGM.</p> <p>The voting at the 22nd AGM was conducted via a poll in accordance with Paragraph 8.29A of the Listing Requirements of Bursa Malaysia. The Company had appointed SSES as the Poll Administrator to conduct the polling process, whilst Commercial Quest Sdn Bhd was appointed as Scrutineers to verify the results of the poll voting and validate the votes casted.</p> <p>Moving forward, subject to the prevailing regulations the Company expects to continue conducting AGMs on a hybrid basis which includes voting in absentia and remote shareholders' participation as well as ensuring good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.</p> <p>Security features of SSeP are as follows: -</p> <ol style="list-style-type: none">1) Hosted on AIMS Data Centre.2) 2048 bit encryption on secure site.3) Backup server when the production server is down.

	4) Single sign-on using one device; and 5) Live stream was played through a private account.	
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	: During the 22 nd AGM on 13 September 2021, YB. Dato' Seri Dr. Zambry Abd Kadir, Chairman of the Company, delivered the points of the Chairman's Statement as in Annual Report 2021. The former GCEO, YBhg. Dato' Mohd Shukrie Mohd Salleh had thereafter delivered his presentation covering the following: - <ol style="list-style-type: none">1) Managing Covid-19 Impact2) Key Business Deliverables3) Key Sustainability Highlights4) FY2020 Group Operational Highlights5) Passenger Traffic Overview & Outlook6) FY2020 Group Financial Highlights7) FY2020 Group Segmental Revenue8) FY2020 Earnings Drivers9) FY2020 Group Initiatives Have Strengthened Our Liquidity10) FY2021 Financial Resilience11) Building For Future Capacity12) Ensuring Health & Safety to Protect Airport Users13) Accelerating Airports 4.014) KLIA & Subang Airport, Synergistic Ecosystem15) Emerging from The Pandemic with Future F.I.T.16) Future F.I.T. Phase 1 – Survival & Recovery Plan17) Future F.I.T. Phase 2 – Growth & Transformation Plan YBhg. Dato' Mohd Shukrie Mohd Salleh had also read out questions from Minority Shareholders Watch Group (MSWG) as well as the Company's replies to the questions for the benefit of the shareholders. The shareholders who wished to ask questions were given the opportunity to use the text box at the bottom of the live streaming player. During the 22 nd AGM, shareholders and proxies had used the real time submission of typed texts to exercise their rights to speak and communicate virtually. Management had answered several late

	questions received from the shareholders via emails after the 22 nd AGM.	
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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The 22nd AGM was held 13 September 2021 via live streaming and online remote voting using Securities Services e-Portal (SSeP), a secured platform provided by SS E Solutions Sdn Bhd (SSES).</p> <p>SSeP is a reliable infrastructure which enabled the conduct of a fully virtual AGM to be held smoothly and enabled shareholders to exercise their rights to speak and vote virtually. Technical support assistance was provided to shareholders and proxies to contact and request for e-Services Assistance or email at eservices@sshsb.com.my.</p> <p>At the beginning of the 22nd AGM, SSES had demonstrated the step-by-step guide on the online voting module within the SSeP via a video clip to facilitate the polling.</p> <p>The shareholders could freely asked questions using the text box at the bottom of the live streaming player via real time submission of typed texts.</p> <p>The required preparation and measures have been taken to ensure seamless experience for shareholders who participating online as much as possible like they are in a physical meeting. There was also smooth two-way communication between shareholders and proxies with the Board and Senior Management during the AGM.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Company has always adhered to the best practice on publication of AGM Minutes within 30 days from the AGM as recommended under “Best Practice Guide on AGMs for Listed Issuers” issued by the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) which is also reflected in Practice 13.6 of MCCG 2021. On 13 October 2021, Minutes of the 22 nd AGM held on 13 September 2021 was published on the Company’s website.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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Trainings Attended by Directors as at 31 December 2021

Name of Director	Conference / Training Programmes Attended	Category
YB. Dato' Seri Diraja Dr. Zambry bin Abd Kadir	<ul style="list-style-type: none"> • Official Walkabout by MOT Sarawak • Official Walkabout and Familiarisation of Pangkor STOLport • Official Walkabout and Familiarisation of Mukah Airport 	<ul style="list-style-type: none"> • Airport/Aviation • Airport/Aviation • Airport/Aviation
YBhg. Dato' Iskandar Mizal bin Mahmood	<ul style="list-style-type: none"> • Walkabout and Familiarisation on the Operations of Cainiao Aeropolis Electronic World Trade Platform (eWTP) Hub, KLIA • Official Walkabout by MOT Sarawak • MAHB Board Induction Programme 	<ul style="list-style-type: none"> • Airport/Aviation • Airport/Aviation • Management/Business
Puan Normah binti Osman	<ul style="list-style-type: none"> • Walkabout and Familiarisation on the Operations of Cainiao Aeropolis Electronic World Trade Platform (eWTP) Hub, KLIA • Khazanah Megatrends Forum 2021 • Mandatory Accreditation Programme (MAP) for Director of Public Listed Companies in Malaysia 	<ul style="list-style-type: none"> • Airport/Aviation • Management/Business • Regulatory
Ms. Wong Shu Hsien	<ul style="list-style-type: none"> • Audit Committee Conference 2021: Agility, Empathy and Resilience: How the Audit Committee will Thrive in the New Normal • Walkabout and Familiarisation on the Operations of Cainiao Aeropolis Electronic World Trade Platform (eWTP) Hub, KLIA • Fraud and Financial Scandals: Trends, Red Flags and Mitigations • Khazanah Megatrends Forum 2021 	<ul style="list-style-type: none"> • Accounting/Auditing • Airport/Aviation • Governance/Integrity • Management/Business
Puan Rohaya binti Mohammad Yusof	<ul style="list-style-type: none"> • MAS-BIS conference on macro-financial stability policy 	<ul style="list-style-type: none"> • Finance/Banking

Name of Director	Conference / Training Programmes Attended	Category
	<ul style="list-style-type: none"> • SC's Sustainable Finance Week panel discussion: How Malaysia has developed an Equity Market that Emphasises Sustainability • MACC - Section 17(A) Talk • Khazanah Megatrends Forum 2021 • MAHB Board Induction Programme • IPE Real Estate Global Conference 2021 - Speaker & Panel • IPE REAL ESTATE VIMEO LINK: Panel - Carbon net zero • Suite Talk Preliminary Discussion - ESG Investment Growth and Performance before and after the Pandemic - Sustainability with Profitability (SRI 2021 Virtual Conference) • International Social Wellbeing Conference 2021 	<ul style="list-style-type: none"> • Finance/Banking • Governance/Integrity • Management/Business • Management/Business • Property Investment & Management • Property Investment & Management • Sustainability Skills – Social & Environment • Sustainability Skills – Social & Environment
YBhg. Datuk Seri Yam Kong Choy	<ul style="list-style-type: none"> • SVDP, Tax Audits & Investigations: What you Need to Know. A Dialogue with IRB • Digital Literacy for Seniors Programme • Data & AI Insights • Sustainable Finance: Making Better Financial Decisions • Malaysia Budgets Highlights • Doubling Down on Corporate Governance Watch 2022 and Malaysian Code on Corporate Governance (2021 Update) • Anti-Money Laundering Act Laws • Fraud Risk Management: Workshop for Directors of Listed Companies 	<ul style="list-style-type: none"> • Accounting/Auditing • Digitalisation/New Technologies • Digitalisation/New Technologies • Finance/Banking • Finance/Banking • Governance/Integrity • Governance/Integrity • Governance/Integrity

Name of Director	Conference / Training Programmes Attended	Category
	<ul style="list-style-type: none"> • Happiness: The Most Important Pre-Condition for Powerful Leadership • Corporate Directors Summit 2021: Board Leadership Transformation • Strata Management Dialogue: Managing Strata Issues in the Era of New Normal • Property Sector Round Table Engagement: Can Malaysia Achieve Net Zero by 2050? • FMCO vs LAD • Digital Real Estate Series • Placemaking : Value Creation for City Makers • Pre-requisites of Strata Planning & Management 	<ul style="list-style-type: none"> • Leadership • Leadership • Property Investment & Management • Property Investment & Management • Property Investment & Management • Property Investment & Management • Property Investment & Management • Property Investment & Management
YBhg. Datuk Zalekha binti Hassan	<ul style="list-style-type: none"> • Walkabout and Familiarisation on the Operations of KLIA Baggage Handling System and Tracked Transit System 	<ul style="list-style-type: none"> • Airport/Aviation
Encik Rosli bin Abdullah	<ul style="list-style-type: none"> • ISA 540 (Revised): An Illustrated Guide to Implementing Auditing Accounting Estimates and Related Disclosures • Audit Committee Conference 2021: Agility, Empathy and Resilience: How the Audit Committee will Thrive in the New Normal • Audit Oversight Board's Conversation with Audit Committee • Malaysian Institute of Accountants (MIA) Virtual Conference Series: Capital Market Conference 2021 • Securities Commission Guidelines on the Conduct of Directors of Listed Corporation and their Subsidiaries 	<ul style="list-style-type: none"> • Accounting/Auditing • Accounting/Auditing • Accounting/Auditing • Finance/Banking • Governance/Integrity

Name of Director	Conference / Training Programmes Attended	Category
YBhg. Dato' Ir. Mohamad bin Husin	<ul style="list-style-type: none"> • Audit Committee Conference 2021: Agility, Empathy and Resilience: How the Audit Committee will Thrive in the New Normal • Walkabout and Familiarisation on the Operations of KLIA Baggage Handling System and Tracked Transit System 	<ul style="list-style-type: none"> • Accounting/Auditing • Airport/Aviation
YBhg. Datuk Azailiza binti Mohd Ahad	<ul style="list-style-type: none"> • Audit Oversight Board's Conversation with Audit Committee • Case Discussion: Post Section 17A Malaysian Anti-Corruption Commission (MACC) Implementation • The Updated Malaysian Code on Corporate Governance April 2021 – Implications to Listed Corporations, Directors & Management • Housekeeping: Disciplinary Action Against Employees Confirmation • Balancing Risk Management with Sustainability Commitment – New Expectations of Investment Community 	<ul style="list-style-type: none"> • Accounting/Auditing • Governance/Integrity • Governance/Integrity • Legal • Risk Management
Mr. Ramanathan Sathiamutty	<ul style="list-style-type: none"> • International Airport Summit – Becoming a Data Driven Organisation • Walkabout and Familiarisation on the Operations of KLIA Baggage Handling System and Tracked Transit System • Persidangan Digital Sektor Awam 2021 • Corporate Directors Summit – Governance 4.0 • ASEAN Leadership Forum – Solving for the Future • Khazanah Megatrends Forum 2021 	<ul style="list-style-type: none"> • Airport/Aviation • Airport/Aviation • Digitalisation/New Technologies • Governance/Integrity • Leadership • Management/Business

Trainings Attended by Board Audit Committee Directors as at 31 December 2021

Name of Director	Conference / Training Programmes Attended	Category
Encik Rosli bin Abdullah	<ul style="list-style-type: none"> • ISA 540 (Revised): An Illustrated Guide to Implementing Auditing Accounting Estimates and Related Disclosures • Audit Committee Conference 2021: Agility, Empathy and Resilience: How the Audit Committee will Thrive in the New Normal • Audit Oversight Board's Conversation with Audit Committee • Malaysian Institute of Accountants (MIA) Virtual Conference Series: Capital Market Conference 2021 • Securities Commission Guidelines on the Conduct of Directors of Listed Corporation and their Subsidiaries 	<ul style="list-style-type: none"> • Accounting/Auditing • Accounting/Auditing • Accounting/Auditing • Finance/Banking • Governance/Integrity
Ms. Wong Shu Hsien	<ul style="list-style-type: none"> • Audit Committee Conference 2021: Agility, Empathy and Resilience: How the Audit Committee will Thrive in the New Normal • Walkabout and Familiarisation on the Operations of Cainiao Aeropolis Electronic World Trade Platform (eWTP) Hub, KLIA • Fraud and Financial Scandals: Trends, Red Flags and Mitigations • Khazanah Megatrends Forum 2021 	<ul style="list-style-type: none"> • Accounting/Auditing • Airport/Aviation • Governance/Integrity • Management/Business
YBhg. Dato' Ir. Mohamad bin Husin	<ul style="list-style-type: none"> • Audit Committee Conference 2021: Agility, Empathy and Resilience: How the Audit Committee will Thrive in the New Normal • Walkabout and Familiarisation on the Operations of KLIA Baggage Handling System and Tracked Transit System 	<ul style="list-style-type: none"> • Accounting/Auditing • Airport/Aviation
YBhg. Datuk Azailiza binti Mohd Ahad	<ul style="list-style-type: none"> • Audit Oversight Board's Conversation with Audit Committees 	<ul style="list-style-type: none"> • Accounting/Auditing

Name of Director	Conference / Training Programmes Attended	Category
	<ul style="list-style-type: none"> • Case Discussion: Post Section 17A Malaysian Anti-Corruption Commission (MACC) Implementation • The Updated Malaysian Code on Corporate Governance April 2021 – Implications to Listed Corporations, Directors & Management • Housekeeping: Disciplinary Action Against Employees Confirmation • Balancing Risk Management with Sustainability Commitment – New Expectations of Investment Community 	<ul style="list-style-type: none"> • Governance/Integrity • Governance/Integrity • Legal • Risk Management