

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5001  
**COMPANY NAME** : MIECO CHIPBOARD BERHAD  
**FINANCIAL YEAR** : December 31, 2023

## OUTLINE:

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is responsible for the oversight and overall management of the Company. In order to ensure the effective discharge of its functions and responsibilities, it has established a Board Charter for the Group where specific powers of the Board are delegated to the relevant Board Committees and the Group Managing Director ("GMD"). The Board Committees comprise two Governance Committees (i.e. Audit Committee ("AC") and Nomination and Remuneration Committee ("NRC") as set out in the Board Charter of Mieco Chipboard Berhad ("MIECO") Group, which is available on MIECO's website at <a href="http://www.mieco.com.my">www.mieco.com.my</a></p> <p>(1) The Board, together with the Management, is committed to promoting good corporate governance ("CG") culture within the organisation which reinforces ethical, prudent and professional behaviour.</p> <p>In discharging its duties and responsibilities, the Board is governed by the Board Charter which clearly delineates relevant matters and applicable limits, including those reserved for the Board's approval, and those which the Board may delegate to the Board Committees, the Group Managing Director and the Management.</p> <p>(2) The Board plays an active role in the development of the Company's strategy, monitoring of its performance and implementation. The Group Managing Director and Executive Director formulates strategic vision and business directions for the Company.</p> <p>The Board reviewed and deliberated on the Management's proposals and its own perspectives, as well as challenged the Management's views and assumptions for the proposed targets and corporate strategic plans. The Board provided its guidance and feedback on the business and enterprise initiatives for the</p>

	<p>Management's takeaways to further refine its plans, bearing in mind the need to engage with the relevant authorities on certain policy issues, given the current and evolving economic climate, opportunities and risks.</p> <p>(3) The Directors promote sustainability through appropriate environmental, social and governance considerations in the Company's business strategies. They also ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.</p> <p>(4) The AC assists the Board by reviewing the adequacy and integrity of the Group's and the Company's internal control systems and management information systems for compliance with applicable laws, regulations, rules, directives and guidelines to ensure, as far as possible, the protection of its assets and its shareholders' investment.</p> <p>(5) The NRC assists the Board to oversee the selection of candidates for proposed Board appointments and the assessment of the performance of the Board, Board Committees as well as individual Directors. The Board through the NRC is responsible to ensure that the Board comprises Directors with the appropriate mix of skills and experience, as well as to ensure a proper balance between Executive Directors and Independent Directors.</p> <p>Stakeholders are updated with the performance and results of MIECO's Group through engagements and public releases of the relevant information which are also available at MIECO's corporate website.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Independent Non-Executive Chairman (the “Chairman”) is responsible for leadership of the Board, ensuring its effectiveness on all aspects of its role and setting its agenda. The Chairman is also responsible for creating and environment for open, robust and effective debate. This includes ensuring, via the Company Secretary, that the Directors receive accurate, timely and clear information.</p> <p>The roles and responsibilities of the Chairman of the Board are clearly set out in the Board Charter, which is available on the Company’s website at <a href="http://www.mieco.com.my">www.mieco.com.my</a></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

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

### Practice 1.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Chairman, Datuk Dr. Roslan Bin A. Ghaffar and the Group Managing Director, Dato' Sri Ng Ah Chai, both holding separate position.</p> <p>The Chairman leads the effective running of the Board, while the Group Managing Director is responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies.</p> <p>The roles of the Chairman of the Board and the Group Managing Director are clearly set out in the Board Charter which is available on Company's website at <a href="http://www.mieco.com.my">www.mieco.com.my</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Chairman, Datuk Dr. Roslan Bin A. Ghaffar is not a member of Audit Committee and Nomination and Remuneration Committee (collectively known as "Board Committees").  Neither has he attended any of the Board Committees meetings as invitee.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company Secretary of MIECO have legal qualification, and is qualified to act as company secretary under Section 235(2) of the Companies Act 2016. She is licensed by the Registrar of Companies.</p> <p>The roles and responsibilities of the Company Secretary include, but are not limited to the following:</p> <ul style="list-style-type: none"><li>• manage all Board and Board Committees meetings, attend and record minutes of all Board and Board Committees meetings and facilitate Board communications;</li><li>• guide the Board on its roles and responsibilities;</li><li>• guide the Board on corporate disclosures and compliance with Listing Requirements, the Company's Constitution, Companies Act 2016 and other relevant rules and regulations;</li><li>• monitor corporate governance developments, assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and</li><li>• Undertake the statutory duties as prescribed under the Companies Act 2016.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Prior to each meeting, members of the Board and the Board Committees are provided with the meeting agenda and the relevant papers submitted by the management, containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings. The minutes of meetings of the Board and Board Committees are circulated to all Board members for review in a timely manner.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

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

**Practice 2.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company's Board Charter sets out the composition, functions, operation, process and responsibilities of the Board as a whole. The Board Charter also sets out the distinct role of the Chairman, Group Managing Directors as well as the list of matters and issues reserved for the Board and responsibilities.</p> <p>Each of the board committees established has its own terms of reference which spell out their own role, composition, process, duties and responsibilities.</p> <p>The Board Charter is periodically reviewed to ensure its compliance and relevance to the prevailing laws, rules, regulations and best practices and to be consistent with the Board's objective.</p> <p>The Board Charter is publicly made available on the Company's website at <a href="http://www.mieco.com.my">www.mieco.com.my</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group has established and adopted a Code of Conduct covering core areas of conflicts of interest; confidential information; insider information and securities trading, protection of assets; gifts, gratuity and bribes; workplace safety, sexual harassment; equally opportunities, discriminations and misconducts.</p> <p>The Group has also adopted an Anti-Bribery and Corruption Policy in line with the Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act, 2009 (Amendment 2018) to further clarify the standards of ethics and conduct acceptable by the Group when dealing with external stakeholders.</p> <p>The purpose of the Code of Ethics and Conduct and Anti-Bribery and Corruption Policy is to ensure that all employees and Directors maintain and enforce the highest standards of ethics and conduct in the performance of their duties and responsibilities throughout the organisation.</p> <p>The Board reviews the Code of Conduct and Anti-Bribery and Corruption Policy periodically or as and when the need arises to ensure it is kept contemporaneous. The details of the Code of Conduct and Anti-Bribery and Corruption Policy is published on company's website at <a href="http://www.mieco.com.my">www.mieco.com.my</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

**Intended Outcome**

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

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

**Practice 3.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Whistleblowing Policy is to provide an avenue for all employees of MIECO Group and members of public to raise concerns about any improper conduct within MIECO Group without fear of retaliation and to offer protection for such persons (including the employee of MIECO Group) who report such allegations.</p> <p>The Board together with Management, reviews the Whistleblowing Policy periodically or as and when the need arises to ensure it is kept contemporaneous.</p> <p>The Whistleblowing Policy is published on the company’s website at <a href="http://www.mieco.com.my">www.mieco.com.my</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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>MIECO recognises the importance of managing sustainable value drivers in driving the future growth of the Group. As stated in MIECO’s Board Charter, the Board takes into consideration the environmental, social and governance impact when developing the corporate strategy of the Group as the Board is mindful of the importance of building a sustainable business.</p> <p>All material sustainability matters are driven by the Senior Management assisted by the other members of the Corporate Sustainability Committee.</p> <p>Please refer to page 17-57 of the Company’s 2023 Annual Report for detailed explanation on how the Board and Management take into consideration sustainability in discharging their duties in managing the Company business.</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

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

### Practice 4.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>MIECO acknowledges the importance of communicating the company's sustainability strategies, priorities and targets to its internal and external stakeholders.</p> <p>The Group publishes its Sustainability Statements in the annual report where the Group's sustainability strategies, priorities and targets are disclosed.</p> <p>The Group's sustainability disclosures include a comprehensive description on strategy, stakeholders' engagement, materiality and efforts. The complete information of the Group's sustainability statement can be retrieved from the Group's annual report and is accessible from the Company's website at <a href="http://www.mieco.com.my">www.mieco.com.my</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Group's risk management and internal control system sets out the approach to the identification, assessment, management, monitoring and reporting of risks. The Group's Board sets risk appetite and regularly reviews performance against the risk tolerance limits.</p> <p>The above would ensure an appropriate decision could be made in addressing the risk.</p> <p>Apart from the above, the Directors have also always been staying abreast with and understand the sustainability issues relevant to the company and its business through trade fairs, industrial periodicals, and professional journals.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 4.4

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	:	The Board and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities.	
		The performance evaluation of the Board in addressing the Group’s strategic and business plans which promote sustainability materials matters was evaluated through the annual Board’s effectiveness evaluation for the FYE 2023.	
		Whereas for the Senior Management team, it is part of their key performance indicators which are reviewed annually.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		



### Intended Outcome

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

### Practice 4.5- Step Up

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Group Managing Director of the Company is the designated persons on sustainability.</p> <p>The Group Managing Director oversees the progress of the sustainability initiatives together with the sustainability strategies set and reports to the Board.</p>

## Intended Outcome

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

## Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nominating Committee had been merged with Remuneration Committee, effective 28 July 2023, into a single Board Committee namely the Nomination and Remuneration Committee ("NRC").</p> <p>In accordance to the Term of Reference of the Nomination and Remuneration Committee ("NRC"), the NRC will annually assess the experience, the tenure, and diversity required collectively for the Board to ensure the Board can discharge their duties effectively.</p> <p>In MIECO each year, one-third of the Directors will retire and is eligible for re-election during the Annual General Meeting.</p> <p>The NRC annually reviews the performance and contribution of all directors including those seeking re-election based on competency and independence (for independent directors) via the individual Director's annual assessment. Only those with satisfactory evaluation are recommended to the Board for re-election.</p> <p>In addition, the Board has established a Fit and Proper Policy which is meant to guide the Board and the NRC in the assessment and evaluation of candidates that are to be appointed and re-appointment as Directors to the Board and the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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	:	The entire MIECO Board comprises of six (6) directors, of whom four (4) are Independent Directors.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board Charter has clearly stated that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years.</p> <p>Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to his/her re-designation as a Non-Independent Director. Otherwise, the Board must justify and seek shareholders’ approval through a two-tier voting process at the Annual General Meeting in the event the Board retains such Director as an Independent Director.</p> <p>However, in the FYE2023, none of the independent Directors have served on the Board for more than a cumulative term of nine (9) years.</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**

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

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognise that Board diversity optimizes decision-making process and will conscientiously improve on its current diversity.</p> <p>In evaluating the suitability of the candidates for appointment of Board and Senior Management, the Board and the NRC considers salient attributes such as mix of skills and experience, strengths, expected contribution, independence (where applicable) and the multiple facets of diversity to ensure a balanced mix of talents on the Board and Management level.</p> <p>The NRC is mindful of the Board's support for boardroom diversity, particularly, in terms of ethnicity and gender. These factors will be given due consideration in the recruitment of new Board members. Apart from that, the NRC will also considers the incumbent's existing Board positions, including on Boards of non-listed companies.</p> <p>The appointment of key Senior Management was also made with due regard for diversity in skills, experience, age, cultural background and gender.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Company practice formal and transparent procedures on sourcing and appointment of new directors – either via nominations by Nomination and Remuneration Committee, Board Members, Management, Major Shareholders or independent sources. All appointments of new Directors are subject to evaluation, assessment based on the “Fit and Proper” standard as detailed in the Director’s Fit and Proper Policy and appropriate recommendation of the Nomination and Remuneration Committee prior to consideration and approval of the Boards.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

## Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The independence and fitness based on the fit and proper criteria of the retiring Director who is recommended for re-election at the forthcoming AGM have been assessed by the NRC and Board.</p> <p>A statement by the NRC and Board being satisfied with the independence and fitness of the retiring Director has been stated in the notes accompanying the Notice of AGM.</p> <p>The profile of the Directors who are due for retirement and eligible for re-election, which includes the nature of interest with the Company, if any, are set out in the Annual Report 2023 of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company had merged both the Nomination Committee (“NC”) and Remuneration Committee (“RC”) into a single board committee known as Nomination and Remuneration Committee (“NRC”) on 28 July 2023.</p> <p>The NRC is chaired by an Independent Director, Mr. Kajendra A/L Pathmanathan.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	<p>The Company has one (1) female director.</p> <p>At present, the Company complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which is required to have at least one (1) woman Director on the Board.</p> <p>The Board has not defined the Company's policies on gender diversity, as the Company adheres to the practice of non-discrimination of any form throughout the Company and as such does not set a specific target on the composition of the Board and Management in terms of gender, age or ethnicity.</p> <p>Although the Company has not reached the women representation target at Board level as required by both MCCG 2021, the Board decisions are made objectively in the best interest of the Group taking into account diverse perspectives and insights. The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

**Intended Outcome**

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

**Practice 5.10**

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	The Board has not defined the Company's policies on gender diversity, as the Company adheres to the practice of non-discrimination of any form throughout the Company as such does not set a specific target on the composition of the Board and management in terms of gender, age or ethnicity.	
		However, the Board shall increase women representation in both the board and senior management as and when there is vacancy as well as when suitable and qualified candidates are identified.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Choose an item.	

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: <p>The NRC has a formal assessment mechanism in place to assess on an annual basis, the effectiveness of the Board Committees, the Board as a whole and the contribution of each individual Director, including the independence of the Independent Non-Executive Directors.</p> <p>The annual assessment criteria of the Board, Board Committees and individual Directors are in accordance with the Bursa Malaysia Berhad's Corporate Governance Guide and aligned with the practices of the Malaysian Code on Corporate Governance taking into consideration the mix of skills, expertise, the composition, size, experience of the Board as a whole and each individual director.</p> <p>The NRC, upon conclusion of the annual assessment exercise was satisfied that the Board and Board Committee composition had fulfilled the criteria required, possess a right blend of knowledge, experience and the appropriate mix of skills.</p> <p>The Board viewed the current evaluation process is adequate to provide an objective assessment on the effectiveness of the Board, the Board Committees and each individual director.</p>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:

<b>Timeframe</b>	:		
------------------	---	--	--

### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has in place a Remuneration Policy for Directors and Senior Management to enable the Group to attract, retain and motivate Directors with the relevant experience and expertise needed after considering the recommendations of the Nomination and Remuneration Committee ("NRC") to assist in managing the Group effectively.</p> <p>The remuneration of Non-Executive Directors is reviewed by the NRC and determined by the Board as a whole. The remuneration package for Executive Directors has been structured to link rewards to corporate and individual performance, while the remuneration of Non-Executive Directors reflects the experience and level of responsibilities undertaken by individual Non-Executive Directors.</p> <p>Directors' fees and benefits payable to the Directors of the Company are subject to the shareholders' approval at the Company's Annual General Meeting.</p> <p>In determining the remuneration of the Senior Management, the NRC considers the roles, skills, competency and the performance of the individual.</p> <p>The Remuneration Policy will be revised as and when required to ensure it remains relevant. The Remuneration Policy is published on the Company's website at <a href="http://www.mieco.com.my">www.mieco.com.my</a></p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company had merged both the Nomination Committee ("NC") and Remuneration Committee ("RC") into a single board committee known as Nomination and Remuneration Committee ("NRC") on 28 July 2023.</p> <p>The NRC is primarily responsible in recommending to the Board the remuneration of Directors and key personnel in all its forms to ensure adequate, fair and competitive compensation and benefit.</p> <p>A copy of the NRC's Term of Reference is available on the company's website at <a href="http://www.mieco.com.my">www.mieco.com.my</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 8.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Details disclosed on named basis for the remuneration of individual directors is as per below table.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Ng Ah Chai	Executive Director	Input info here	Input info here	2,760	Input info here	Input info here	Input info here	2,760	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Ng Wei Ping	Executive Director	Input info here	2	462	Input info here	28	Input info here	492	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Datuk Dr. Roslan Bin A. Ghaffar	Independent Director	55	5	Input info here	Input info here	Input info here	Input info here	60	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Cheam Tow Yong	Independent Director	53	10	Input info here	Input info here	Input info here	Input info here	63	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Kajendra A/L Pathmanathan	Independent Director	45	10	Input info here	Input info here	Input info here	Input info here	55	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
6	Tan Poh Cheek	Independent Director	17	3	Input info here	Input info here	Input info here	Input info here	20	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
7	Dato' Abdul Rashid Bin Mat Amin	Independent Director	26	7	Input info here	Input info here	Input info here	Input info here	33	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The detailed remuneration on a named basis of top 2 Senior Management who are Executive Directors have been disclosed in Practice 8.1 above.</p> <p>There is no disclosure on the remuneration of the Senior Management who are not the Executive Directors due to confidentiality and sensitivity of the information. The Board is of the opinion that it is important for the Company to preserve confidentiality of such information given the competitiveness in the market for talent.</p> <p>The Board ensures that their remuneration is commensurate with their individual performance, taking into consideration of the Company's performance and achievement of key performance indicators.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
<b>Timeframe</b>	:	Choose an item.

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

**Intended Outcome**

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

**Practice 8.3 - Step Up**

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

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

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

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Chairman of the Audit Committee, Mr. Cheam Tow Yong, is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Term of Reference of the AC has included the requirement for a former partner of the external audit firm of the Company to observe a cooling-off period of at least three years before being appointed as a member of the AC.</p> <p>Currently, none of the AC members are former partners of the external audit firm of the Company within the three years preceding FYE2023.</p> <p>The Term of Reference of the AC is available on company’s website at <a href="http://www.mieco.com.my">www.mieco.com.my</a></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

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Based on the Terms of Reference of the Audit Committee ("AC"), the AC is tasked with the review of the matters concerning the suitability, objectivity and independence of the external auditor for nomination, appointment and reappointment and the underlying reasons for resignation or dismissal of the external auditor.</p> <p>The assessment on suitability, objectivity and independence of the external auditors is carried out on an annual basis as provided in the TOR of the AC.</p> <p>In addition, the AC also received assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accounts.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	The Audit Committee comprises wholly of Independent Non-Executive Directors.

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The existing members of the Audit Committee have vast experience and skills in accounting and finance as well as other relevant fields of expertise. All of them are highly-qualified to review the accuracy of MIECO and the consolidated MIECO Group’s financial statements prior to recommending the same to the Boards for approvals.</p> <p>The members of the Audit Committee, on their own efforts, continue to equip themselves with latest knowledge and updates on the relevant developments in accounting and auditing standards, practices and rules and etc. via industrial periodicals, professional journals, and briefed by the External Auditors, Internal Auditors and Company Secretary.</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

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Boards have established sound risk management practices to safeguard MIECO Group’s business interests from risk events that may impede the achievement of business strategies and growth opportunities as well as providing assurance to all stakeholders.</p> <p>The Board is supported by the Management in developing, implementing, and monitoring sound practices for identifying and managing strategic, financial and operational risks and for providing assurance that risk management and internal control practices with respect to the conduct of business are implemented and adhered to within the Group.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has established a framework to formulate and review risk management policies and risk strategies. Further information on MIECO Group's internal control is presented in the Statement on Risk Management and Internal Control of the Company's Annual Report 2023.</p> <p>For the FYE2023, the Board has received assurance from the Group Managing Director and Executive Director that, to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively in all material respects.</p> <p>The Board, through the AC will continue to assess the adequacy and effectiveness of the system.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

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

**Practice 10.3 - Step Up**

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

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

### Intended Outcome

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

### Practice 11.1

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>The Internal Audit of the Group is outsourced to an independent professional firm which is independent of the activities and operations of the Group. The role of Internal Audit is to provide objective assurance to the Audit Committee and the senior management that operations and functions are efficient and effective and that processes have a robust control environment.</p> <p>To support the Audit Committee in discharging their responsibilities, the Internal Auditor reports directly to the Audit Committee.</p> <p>The appointment of Internal Auditor is reviewed and endorsed by the Audit Committee. The Internal Auditor has unrestricted access to the Audit Committee, the Board and Management.</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

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

## Practice 11.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>None of the internal audit personnel has any relationships or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.</p> <p>Currently, the Internal Audit of the Group is outsourced to an independent professional firm which comprises 2 managerial and executive positions, and 1 non-executive positions.</p> <p>The Internal Audit is led by Mr. Lim Lip Chin, who holds a Degree of Laws from University of London and fellow of the Association of Chartered Accountant. He is also a member of Malaysia Institute of Accountants, Chartered Tax Institute of Malaysia and Malaysian Association of the Institute of Chartered Secretaries and Administration.</p> <p>The internal audit function is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

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

**Practice 12.1**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board ensure the Company announces its quarterly results on timely basis to the shareholders and also make necessary announcement to its stakeholders.</p> <p>The Board also ensures stakeholders are given the opportunity to speak and seek clarification during the Company’s Annual General Meeting, for effective and transparent communication with its stakeholders.</p> <p>Investor relations activities such as meetings with fund managers &amp; analyst and interview by the media are attended by the designated senior management personnel. The Company also has a website, <a href="http://www.mieco.com.my">www.mieco.com.my</a>, as an avenue for dissemination of corporate and financial disclosures.</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

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

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

### Practice 12.2

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

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

**Intended Outcome**

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

**Practice 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Notice and agenda of the Annual General Meeting ("AGM") together with Forms of Proxy are issued to shareholders at least 28 days before the AGM, which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint proxies to attend and vote on their behalf. For the past seven years, 28 days' notice were issued to shareholders.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The 50th AGM has been carried out on a virtual basis and all Directors, including the Chair of the Board Committees have attended and participated the 50th AGM held on 29 May 2023.</p> <p>The Board endeavours to provide clear and meaningful responses to questions posed to them by shareholders at the AGM.</p> <p>All directors will attend the 2024 AGM unless illness or another pressing commitment/overseas precludes them from attending the AGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company normally holds its general meetings within the Klang Valley area, in a venue which is easily accessible by its shareholders.</p> <p>However, since year 2021 the Company has started to conduct its AGM on a virtual basis using the Remote Participation and Voting (“RPV”) facilities which are available on Metra Management Sdn Bhd’s online platform, allowing remote shareholders’ participation and voting in absentia.</p> <p>During the AGM, the shareholders used the RPV facilities to pose questions in the deliberations of the resolutions being proposed or on the Group’s operations in general.</p> <p>The Company will continue to hold a fully virtual AGM in 2024 and will leverage technology to facilitate communication and engagements with shareholders while enabling voting in absentia and shareholders’ participation.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the Company's physical general meetings, shareholders were given sufficient time to pose questions after each agenda was presented and before the meeting ended.</p> <p>The 50th AGM was a virtual meeting. The Company had issued the Annual Report 2022 for 50th AGM together with administrative notes which encompassed the guidance on the conduct of the virtual meeting, on 28 April 2023.</p> <p>The shareholders were allowed to submit their questions to the Board of Directors prior to the 50th AGM to the designated email address as stated in the administrative notes commencing from 28 April 2023 or to use the Question and Answer ("Q&amp;A") platform to transmit questions to the Board via Remote Participation and Voting ("RPV") facilities during live streaming.</p> <p>In view of that shareholders were given sufficient opportunity to pose their questions before the AGM and during the AGM. The Company had ensured that all the questions were answered. Questions received after the close of AGM were answered via emails.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

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

## Practice 13.5

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

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>At each MIECO's virtual general meeting, Metra Management Sdn Bhd. ("Metra") has been engaged by the Group to set up and ensure smooth broadcast of the general meeting through the RPV facilities.</p> <p>The RPV facilities provided by Metra enables shareholders to participate, pose questions, and vote remotely. The RPV facilities also enable the shareholders experienced real time interaction with the Board during the AGM. Metra has provided adequate tools and infrastructure to the Company for each virtual AGM.</p> <p>The Chairman of the meeting read and answered accordingly the questions posed by shareholders to all meeting participants during the meeting itself.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Minutes of the 50th AGM, which includes the questions raised by shareholders together with the responses by the Company and outcome of the voting results, has been made available to the shareholders within 30 business days after the 50th AGM at the Company's website at <a href="http://www.mieco.com.my">www.mieco.com.my</a>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## **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.*

Click or tap here to enter text.

