

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1171
COMPANY NAME : MBSB Berhad
FINANCIAL YEAR : December 31, 2025

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") sets the tone from the top and is ultimately responsible for overseeing the conduct of MBSB Berhad ("MBSB") and its subsidiaries (together, the "MBSB Group" or "Group") business and the Management's implementation of the Group's strategic objectives as well as its conduct and performance to ensure the sustainability of the Group and its ability to create long-term value, for Group's various stakeholders, including our shareholders.</p> <p>The Board is guided by its Board Charter, which identifies the Board's role, duties and responsibilities. The Board Charter of MBSB is available on its website at: https://www.mbsb.com/Board_Charter.pdf.</p> <p>The Board Charter of MBSB outlines the processes and procedures to ensure the effectiveness and efficiency of the Board and the Board Committees. The Board of MBSB is supported by various Board Committees and Management-led Committees (together, the "Committees") and the roles and responsibilities of the respective Committees are clearly outlined in the Terms of Reference ("TOR") and the Group Approving Authority Manual ("GAA Manual") which require regular review and approval by the Board. Any decisions which are not within the Committees' authority would be escalated to the Board with the Committees' recommendation.</p> <p>The existing Group Operating Model and Governance Framework for the enlarged Group is designed to enhance effective oversight over critical areas with clear accountability and authority over key matters.</p> <p>The Board has entrusted their respective Committees with specific responsibilities to oversee the Group's affairs in accordance with the respective Committees' TOR.</p> <p>The Board Committees established to support the Board in executing their duties are as follows:</p>

MBSB Board Committees

1. Group Board Audit Committee (“GBAC”)

The principal function of the GBAC is to assist the Board in fulfilling its fiduciary responsibilities, particularly in the areas of accounting and management controls and financial reporting and to ensure financial statements comply with applicable financial reporting standards; to reinforce the independence and objectivity of the Internal Audit Division (“IAD”); to provide the focal point for communication between external auditors, internal auditors, risk managers, Directors and the Management on matters in connection with accounting, reporting, risks and controls and providing a forum for discussion, independent of the Management; and to undertake additional duties as may be deemed appropriate and necessary to assist the Board.

2. Group Board Risk and Compliance Committee (“GBRCC”)

The primary objectives of the GBRCC are to assist the Board with the risk oversight within the Group and ensure that there is a sound framework for internal controls and enterprise risk management (“ERM”). This includes reviewing the risk management policies, risk exposure and limits, and ensuring that all risks are well managed within the Group’s risk appetite by providing adequate infrastructure and resources in place to support the risk management activities.

3. Group Nominating and Remuneration Committee (“GNRC”)

The primary responsibilities of the GNRC are to assist the Board and the Board subsidiaries in maintaining a formal and transparent procedure for the appointment of Directors, Board Committee members, Board assessment, policy setting on Directors’ remuneration, and determining appropriate remuneration packages for all Directors, including Shariah Advisory Committee.

The GNRC is also responsible for reviewing, appointing, removing and determining the remuneration package for the GCEO, CEO of the Operating Subsidiaries, C-Suite with Group function/C-Suite at the respective Operating Subsidiaries (collectively known as “C-Suites”) and Company Secretaries. Also, the GNRC reviews the remuneration framework for the Group.

The activities of GNRC in 2025 include the following:

1. Matters related to the Board and Board Committees of the Group
 - Recommended the appointment of external consultant to review the remuneration of Non-Executive Directors.
 - Reviewed the Board Remuneration Review Report
 - Reviewed and recommended the Non-Executive Directors’ Fees, remuneration and benefits for MBSB Berhad and operating subsidiaries
 - Reviewed and recommended the Group Remuneration Framework for Non-Executive Directors

	<ul style="list-style-type: none"> • Reviewed and recommended the Group Directors' Orientation & Training Guidelines • Reviewed and recommended Directors and Officers Takaful Coverage. • Reviewed the Board Evaluation Exercise Results for year 2024 and the action plans. • Reviewed the Fit and Proper Assessment for all directors of the MBSB Group. • Reviewed the Independent Directors Assessment for Independent Directors of the MBSB Group. • Reviewed and recommended the Directors Annual Training Plan 2025. • Reviewed and recommended the Board and Board Committees composition of the MBSB Group. • Reviewed and recommended the Directors Retirement by rotation at the AGM 2025. • Reviewed and recommended the appointment of new directors for MBSB and operating subsidiaries. • Reviewed and recommended the Proposed Establishment, Composition and Terms of References for the Group Board Information Technology Oversight Committee (“GBITC”). <p>2. Matters related to GCEO and Key Senior Management of the Group</p> <ul style="list-style-type: none"> • Reviewed the Fit and Proper Assessments of Group Chief Executive Officer, Group Chief Executive Officer (“GCEO”)/Chief Executive Officer (“CEO”) of the subsidiary companies, C-Suite with Group function/C-Suite at the respective subsidiary companies (collectively known as “C-Suites”) and Company Secretaries for year 2025. • Reviewed and recommended the Performance Assessment and Rewards of GCEO, CEO, C-Suites and Company Secretaries for year 2024. • Reviewed and recommended the KPI of Group Chief Executive Officer • Reviewed and recommended the appointment of new Group Chief Commercial Banking Officer, Group Chief People Officer and Group Chief Credit Officer. • Reviewed and recommended the appointment of new Chief Risk Officer of MBSB Investment Bank Berhad and Malaysian Industrial Development Finance Berhad • Reviewed and recommended the appointment of key employees of MBSB Investment Bank Berhad. • Reviewed and recommended the contract renewal for C-Suites Officers of the Group. • Reviewed the Succession Planning Framework and the progress on succession planning for C-Suites. • Recommended the Proposed Long-Term Incentive Plan framework. <p>3. Matters related to employees of the Group</p> <ul style="list-style-type: none"> • Reviewed and recommended Staff Group Term Takaful and Group Personal Accident Takaful Coverage.
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	<ul style="list-style-type: none"> • Reviewed and recommended the Staff Performance Rewards for the Year 2024 and increment for year 2025. • Reviewed the Exit Interview Process and Findings. • Reviewed the Organizational Culture Pulse Survey Report 2025. • Reviewed and recommended the Group Disciplinary Policy. <p>4. Matters related to organization and governance structure</p> <ul style="list-style-type: none"> • Reviewed and recommended the Responsibility Mapping Framework • Reviewed the composition of Shariah Advisory Committee (SAC) • Reviewed and recommended the reappointment of SAC Members • Reviewed the remuneration structure for SAC • Reviewed the SAC Performance Evaluation Report 2024 <p>4. Group Board Information Technology Oversight Committee (GBITC)</p> <p>The Board of MBSB has recommended the establishment of a single Board IT committee which will provide effective governance and oversight for all IT and digital related matters across the Group. The Board of MBSB Bank had assessed and approved the expansion of the BITC of MBSB Bank and the BITC has been renamed to Group Board Information Technology Oversight Committee (GBITC) effective 1 April 2025.</p> <p>While the GBITC will be streamlined within MBSB Bank, GBITC will deliberate, recommend and/or approve relevant matters within its' purview or as delegated under the MBSB Group or its subsidiary's approving authority manual, respectively. As a formal committee reporting directly to the Board, the GBITC serves as the senior governance and policy making authority for IT and digital related matters within the Group.</p> <p>The primary objectives of GBITC are:-</p> <ul style="list-style-type: none"> • To ensure that the Group's IT and digital planning and investment supports the Group's strategic business goals and Group IT strategic plan; • To oversee matters related to IT Risk Management Framework which includes RMIT business impact analysis, IT applications and cyber security matters for the Group; • To review, deliberate and recommend the establishment of new IT and digital policies, frameworks, standards and security matters governing the operations of the entities, for respective Board's approval. • To monitor the effectiveness in implementing key IT and digital policies, such as the IT security policy and IT Risk Management Framework; • To monitor the overall efficiency, performance and effectiveness of IT and digital services, utilization and identify obsolescence; • To review the adequacy and allocation of resources for the Group Technology Division and the respective digital team; • To review and monitor the Group's digitalisation strategy and initiatives; • To establish priorities and monitor status of IT and digital projects and compliance towards service level agreements; • To monitor overall IT and digital expenditure (i.e. IT CAPEX and OPEX);
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- To review and recommend to the respective Board, the scorecard/KPI for Group Technology Division (GTD) and periodic updates on scorecard performance and progress updates.

Board responsibility

Although the Board has entrusted its Board Committees with specific responsibilities to oversee the Group's affairs per the respective Committees' TOR, the Board remains responsible and keeps abreast with the key issues and decisions made by the respective Committees through the reports escalated to the Board as well as the minutes of meetings that capture the detailed deliberations, which were subsequently tabled to the Board for notation.

The Board has established a document on Matters Reserved for the Board (MRB) to provide clarity on matters reserved to Board of MBSB and the Board of subsidiary companies and sets out decision rights and matters of escalation between the holding and subsidiary companies. This is to ensure that the Subsidiary Boards are able to discharge its own fiduciary duties.

The MRB document includes the following areas:-

1. Corporate Matters
2. Strategy and Budget
3. Governance and Policy
4. Compliance, Risk and Assurance
5. Credit Facilities and Product Management
6. Corporate Banking
7. Commercial Banking
8. Consumer Banking
9. SME Financing
10. Investment Banking
11. Asset Management
12. Shariah Matters
13. Accounting and Finance
14. Procurement
15. Information Technology and Projects
16. Board Membership and Senior Management Appointments
17. Remuneration
18. Litigation and Arbitration

The matters reserved for MBSB Board include, amongst others, the following:

- Reviewing and approving strategic and business plan and other initiatives which would have a material impact to the Group;
- Overseeing the Management's implementation of the Group's strategic objectives and its conduct and performance;
- Identifying principal risks affecting the Group and ensuring the implementation of appropriate governance framework, risk management and internal controls framework and periodically review its appropriateness in light of the material changes to the size, nature and complexity of the Group's operations;

	<ul style="list-style-type: none"> • Ensure there is a reliable and transparent financial reporting process within the Group • Reviewing and approving annual financial statements and quarterly financial results prior to release to Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and the relevant regulators; • Reviewing and adopting the strategies on the promotion of sustainability through appropriate environmental, social and governance (“ESG”) consideration in the Group’s businesses; • Overseeing and approving the recovery and resolution as well as business continuity plans for the Group to restore its strength and maintain or preserve critical operations and critical services when it comes under stress; • Promoting, together with Senior Management, a sound corporate culture within the Group which reinforces integrity, anti-corruption and bribery, ethical, prudent and professional behaviour; • Promoting Shariah Compliance as set out in the MBSB Bank’s Shariah Governance Framework and to ensure its integration with the Group’s business and risk strategies; • Serving as the ultimate approving authority for all significant financial expenditure; • Approving related party transactions; • Overseeing the selection, performance, remuneration and succession plans of the GCEO, the Group C-Suites position and Company Secretaries as defined in the Group Fit and Proper Requirements Policy. • Grant of financing to companies within the MBSB Group • Group scorecard and KPI setting • Guarantees, Letter of Comfort/Support and/or Undertakings issued on behalf of companies within the Group <p>The Board plays an active role in developing, evaluating and monitoring the Group’s strategic direction by providing valuable advice to the Management based on their collective competency and knowledge of its members.</p> <p>The Board also play a vital role in shaping the culture and tone of the Group, whether to place integrity in its rightful place or otherwise ensure that the direction of the Group aligns with the Integrity Governance Unit (“IGU”) vision and initiatives. The Board assumes the following responsibilities as required in relation to their oversight roles on the activities of IGU and issues on bribery, corruption and abuse of power under the Malaysian Anti-Corruption Commission (“MACC”): -</p> <ol style="list-style-type: none"> i. Approve the appointment of Head of IGU; ii. Approve IGU’s yearly plans or programs on anti-bribery, corruption and abuse of power; iii. Approve the establishment of policies which cover all high-risk areas in relation to conduct of integrity, bribery, corruption and abuse of power; iv. Ensure the highest level of integrity and ethics are practised within the Group; v. Comply with all applicable laws and regulatory requirements on anti-bribery, corruption and abuse of power;
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- vi. Oversee the management of risks in relation to bribery, corruption and abuse of power;
- vii. Provide assurance to internal and external stakeholders that the Group is operating in compliance with applicable policies and regulatory requirements in relation to bribery, corruption and abuse of power;
- viii. Ensure that reviews by the Internal Audit function are conducted on anti-bribery, corruption and abuse of power programs;
- ix. Ensure a separate IGU structure that answers directly to the Board (via GBRCC) to ensure issues of pressure, isolation, rejection and unreasonable action do not arise in the Group;
- x. Monitor the IGU's performance through its periodic reporting;
- xi. Ensure all bribery, corruption and abuse of power complaints are promptly escalated to the IGU Officer for investigation;
- xii. Decide on the appropriate action to be taken (if any) based on the recommendations made by GBAC which Management shall implement in relation to the findings of the investigation on whistleblowing report.
- xiii. Oversee the effective use of the whistleblowing channel by both internal and external parties to raise concerns in relation to real or suspected bribery, corruption and abuse of power incidents; and
- xiv. Attend related training on ethics, integrity, anti-bribery, corruption and abuse of power once every two (2) years.

The Board of MBSB, in consultation with the Board of the operating subsidiaries i.e. MBSB Bank Berhad, Malaysian Industrial Development Finance Berhad (“MIDF”), MBSB Investment Bank Berhad (“MBSB IB”) and MIDF Amanah Asset Management Berhad (“MIDF AM”) (hereinafter known as “Operating Subsidiaries”), continue to review the strategic direction to ensure that the Group achieves its initiatives as set out in the three-year Strategic Business Plan, “FLIGHT26”.

The Board convenes regular Board meetings to review the overall performance of the Group. This includes the progress of the Business Plan, Digital and Technology Strategy, ESG Strategy, short and long-term sustainable growth and budget of the Group, succession planning and the future growth for the Group.

In addition, the Board also received updates and monitors the various initiatives under FLIGHT26.

The Board is also responsible for ensuring that the Group remains agile and responsive to changes in the business and economic environment while effectively pursuing and achieving the planned goal and objectives. The Board monitors the performance of the Operating Subsidiaries from time to time through the presentation of the various reports submitted by the Finance, Risk Management, Compliance, Legal and Internal Audit Division including business units. The Board also monitors the scorecard achievement and progress of FLIGHT26 initiatives through the monthly business performance report and financial report presented to the Board.

	<p>The Board continue to intensify efforts and focus to provide the best and most innovative solutions/products to match and capture customers' requirements by leveraging on the strong synergy across the MBSB Group.</p> <p>For the year under review, the MBSB Group, through its banking subsidiaries, continued to enhance its digital offerings to improve efficiencies as well as create bold and customer-focused solutions to meet the evolving needs of both customers and businesses. This is aligned with the tagline, 'Be Bold. Bank Smart'.</p> <p>During the year, cross-broader services as well as several new products were introduced, such as Global Easy Transfer (GET), iFast, WorksForMe, including the reintroduction of Auto Financing-i, as well as digital service suite for SME to support business efficiency and cash flow management. In addition, various collaborations with strategic partners were entered into to provide innovative product offerings to customers to become their preferred banking partner.</p> <p>The relocation of several branches during the year was a strategic initiative aimed at reinforcing MBSB Bank's presence and expanding its service reach to growing communities. This move further demonstrates MBSB Bank's commitment to providing enhanced facilities, improved customer experience and greater convenience for customers. MBSB Bank continues its efforts to strengthen CASA and retain the Deposit growth base.</p> <p>The Board received regular updates on the economic / industry outlook during meetings, in addition to attending relevant training programs to keep abreast with the updates and changes in the business environment.</p> <p>The Board also reviewed and set the annual performance scorecard of the Group as well as targets for the GCEO, Group C-Suites and Company Secretaries.</p> <p>Succession planning of key senior management personnel remains a key area of focus for the Board. The Board was kept informed via the Group People & Culture Division ("GPCD") dashboard reports on the progress of the programs to nurture and groom future talents and also the readiness of the successors for the key management personnel. Succession planning is part of the broader Talent Management Framework, aimed at developing a strong talent pipeline for the Group. Annually, talent classifications and succession nominations are recalibrated to ensure a dynamic organizational culture that aligns with the business strategy and drive sustainable growth.</p> <p>The GPCD dashboard also provides regular updates to the Board on the manpower position of the Group which includes attrition and hiring of new recruits and also the progress of various initiatives including training and development programs undertaken by GPCD.</p> <p>The Board has approved the appointment of Group Chief Commercial Banking Officer, Group Chief Credit Officer and Group Chief People Officer.</p>
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	<p>The appointment Encik Noor Mohamed Amin bin Mohamed as Group Chief Commercial Banking Officer, Encik Azhar Syarawi Mohamed Mokhtar as Group Chief Credit Officer and Encik Iskandar Shah Zulkarnain as Group Chief People Officer will enable stronger oversight, strategic alignment of business strategies and streamline operations of the respective function of the Group.</p> <p>The Board provide oversight on the management of sustainability matters at MBSB and its Operating Subsidiaries to ensure ESG considerations are incorporated in business plans for the Group.</p> <p>The Group performed a materiality assessment to refresh matters or issues that reflect the Group’s significant economic, environmental and social impact and aligns with regulatory requirement. In 2025, MBSB conducted a minor refresh of our sustainability materiality matters, placing greater emphasis on serving the communities in line with our ongoing CSR and zakat-related activities. The outcome from the assessment was presented in the Materiality Matrix, which was validated and endorsed by the Board. The materiality assessment process and Materiality Matrix are disclosed in MBSB Sustainability Report 2025.</p> <p>The Board also takes responsibility for the governance of sustainability and sustainability risk oversight. The Board has adopted two core principles, Amanah (responsibility) and Adab (ethical conduct) to reinforce the Group’s commitment to Shariah-compliant and sustainable business practices. The Board also adopted the MBSB Group Sustainability framework and MBSB Sustainable and Transition Finance Framework. The Board was updated regularly on the status of the ongoing sustainability initiatives.</p> <p>Key governance responsibilities for the Board on Sustainability matters are as follows:</p> <ol style="list-style-type: none"> 1. Assumes ultimate responsibility for managing sustainability matters 2. Ensures corporate strategy considers sustainability 3. Approves corporate strategy and key performance indicators 4. Approves policies on sustainability matters <p>This governance principles are adopted by all entities within the Group.</p> <p>The Terms of Reference (“TOR”), policies and procedures of the Board, Board Committees and Management-led Committees would be periodically reviewed and revised to reflect the necessary changes in the internal process and regulatory requirement for better operational efficiency and readiness.</p> <p>The TORs of the Board Committees were revised, specifically to reflect the changes to the roles and responsibilities as well as change of name of the various Committees for the MBSB Group.</p> <p>Among the topics and strategies reviewed, deliberated and approved by the Board during financial year 2025 are as follows: -</p> <table border="1" data-bbox="497 1960 1412 1998"> <thead> <tr> <th data-bbox="497 1960 686 1998">Areas</th> <th data-bbox="686 1960 1412 1998">Key topics/ strategies</th> </tr> </thead> <tbody> <tr> <td data-bbox="497 1998 686 1998"></td> <td data-bbox="686 1998 1412 1998"></td> </tr> </tbody> </table>	Areas	Key topics/ strategies		
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	Strategy	<ul style="list-style-type: none"> • Budget and Business Plan, business plan initiatives and KPI for year 2026 for the MBSB Group • Group Organizational Structure • Disposal of non-core assets • Climate Risk Appetite Statement • MBSB Group Sustainability Framework • Quarterly Report on Sustainability Initiatives • Monthly Strategy & Business Performance • Monthly Financial Performance • Quarterly Financial Results • Audited Financial Statement • Declaration of Dividend • Long-Term Incentive Plan • SAC Matters and Shariah Report
	Risk, Compliance, Oversight	<ul style="list-style-type: none"> • Composite Risk Rating findings and the action plan • Annual Plan for 2026 for Risk, Compliance, Internal Audit and Integrity and Governance Unit (IGU). • Monthly Compliance Report • Monthly Risk Management Report • Monthly Group People & Culture Division Report • Quarterly Internal Audit Report • Quarterly IGU Report • Quarterly Risk Report • 3-Years Internal Audit Plan • Reappointment of external auditors • Appointment of tax agent • Related Party Transactions and Conflict of Interest • Group Risk Appetite Statement • Risk Posture and Group Sector Limit • Disclosure of Director’s interest • Recovery Planning • Group Model Risk Management Policy • Group Information Technology Risk Management (“ITRM”) Framework • Group Gift, Entertainment and Corporate Hospitality Policy • Group Shariah Risk Management Policy • Group Enterprise Risk Management Framework • Group ICAAP Framework and Stress Testing Exercise • Corruption Risk Management (CRM), Integrity Survey (IS) and Organizational Anti-Corruption Strategy (OACS) • AML/CFT System Implementation • 2025 Risk Assessment & Business Impact Analysis (RABIA) Exercise • Group-Wide Business Continuity Plan • Responsibility Mapping Framework

	<p>Governance</p>	<ul style="list-style-type: none"> • Board and Board Committees composition of the MBSB Group entities • Board Effectiveness Evaluation for year 2024 • Re-appointment and re-election of directors. • Appointment and reappointment of SAC member • Board remuneration review and harmonisation of benefits for Non-Executive Directors • Revision to SAC Remuneration Structure • Board Annual Training Plan • Matters Reserved for the Board and Approving Authority Development • Group policy harmonization initiatives post-acquisition. • Performance assessment and rewards 2024 for Key Management Personnel. • Fit and Proper Assessment for Directors for year 2025 • Fit and Proper Assessment for GCEO, Group C-Suites and Company Secretaries for year 2025 • Independent Directors Assessment • MBSB Integrated Report 2024, Sustainability Report 2024 and Corporate Governance Report 2024 • Group Disciplinary Policy • Terms of Reference of Group Board Information Technology Oversight Committee (“GBITC”) • MBSB Organization Culture Pulse Survey Report • Appointment of Group Chief Commercial Banking Officer • Appointment of Group Chief People Officer • Appointment of Group Chief Credit Officer • Renewal contract for Key Management Personnel • Succession Planning for Key Management Personnel and Company Secretary • Directors and Officers Liability Takaful Coverage. • Group Term Takaful and Group Personal Accident Takaful Coverage for employees of the MBSB Group
<p>Group Chief Executive Officer (“GCEO”) Responsibility</p> <p>The Board entrusts the GCEO to develop and ensure the MBSB Group’s strategies and Corporate Policies are effectively implemented. The GCEO is responsible for keeping the Board fully informed of all important aspects of the Group’s operations and ensuring that sufficient information is distributed to the Board.</p> <p>The GCEO is supported by a group of experienced senior management and staff. The performance of the Management and respective Divisions and Departments are closely monitored through the monthly performance review meetings. Various Management Committees have been established to oversee the day-to-day business affairs of the Group and ensure that the Board’s decisions are implemented effectively. The Management</p>		

	<p>Committees' roles and responsibilities are clearly defined in the TOR of the respective Management Committees.</p> <p>The Board is also informed of the significant operational issues and the Group's performance during the Board meetings.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Dato' Wan Kamaruzaman bin Wan Ahmad ("Dato' Wan") is the Chairman/ Non-Independent Non-Executive Director of MBSB. Dato' Wan is a nominee of the Employees Provident Fund Board.</p> <p>The role of the Chairman is to ensure smooth functioning of the Board and promotes positive culture in the Board. The Chairman also ensures that the guidelines and procedures are in place to effectively govern the Board's operation and conduct.</p> <p>In consultation with the GCEO and the Company Secretary, the Chairman sets out the agenda for matters to be considered by the Board. The meeting agenda was aligned with the overall Group's context, including its starting position, aspirations and priorities. The Chairman led the meeting pace and discussions to ensure the Board functions to its maximum effectiveness.</p> <p>The Chairman also actively engages with the Board members and encourages their contribution to Board deliberations. The Chairman facilitates open and constructive communications amongst Board members to ensure full and balanced discussion of every issue on the agenda.</p> <p>The Chairman ensures that the Board has the opportunity to maintain adequate understanding of the Group's financial position, strategic performance, operations and the opportunities and challenges facing the Group.</p> <p>The Chairman's excellent leadership was acknowledged by the positive feedback received via the Self and Peer Assessment of the Board members in the annual Board Effectiveness Evaluation conducted in 2025.</p> <p>The roles and responsibilities of the Chairman are clearly specified in Section 3.1 of the Board Charter, which is available on MBSB's website at: https://www.mbsb.com/Board_Charter.pdf.</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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and GCEO are held by two different individuals. The Chairman, Dato' Wan Kamaruzaman bin Wan Ahmad, leads and manages the Board by focusing on board leadership, whereas the GCEO, Encik Rafe Haneef, focuses on the business, strategy, operations and organisational issues and implementing Board's decision.</p> <p>There is a clear division of responsibility between the Chairman and GCEO to ensure a proper balance of power and authority and promote checks and balances. The distinct and separate roles and responsibilities of the Chairman and GCEO are formally documented in in the Board Charter. The roles and responsibilities of the Chairman and GCEO are provided in Section 3.0 of the Board Charter, which is available on MBSB's website at: https://www.mbsb.com/Board_Charter.pdf.</p> <p>The Chairman and the Board members are responsible for setting the policy framework within which the Management is to work. The Chairman leads the Board to ensure a collective effort in monitoring the performance of Management in meeting the corporate goals and objectives. The Chairman also guides the Board on all issues presented before them at meetings or at such other forums where the consensus of the Board is required.</p> <p>The GCEO is primarily responsible for overseeing the day-to-day management to ensure the smooth and effective running of the MBSB Group and MBSB Bank. The Board entrusts the GCEO to ensure that all decisions, directions, policies and/or instructions approved by the Board are carried out by Management in a timely and efficient manner. The GCEO carries the primary responsibility of ensuring management competency, including the emplacement of an effective succession plan to sustain continuity. The GCEO is responsible for keeping the Board fully informed of all important aspects of the Group's operations and ensuring that sufficient information is distributed to the Board.</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 1.4

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 :	The Chairman of the Board is not a member of any of the Board Committees. The Chairman of the Board also is not an invitee to any of the Board Committees' meetings.
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>Ms. Koh Ai Hoon, the Company Secretary and Ms. Pauline Ng Peck Kun, the Joint Company Secretary, are qualified to act as Company Secretaries under Section 235 of the Companies Act, 2016. They are Associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and hold a valid Practising Certificate of Secretary issued by the Companies Commission of Malaysia.</p> <p>The Company Secretary also possess legal qualifications, which allows her to execute her responsibilities effectively.</p> <p>The Company Secretaries constantly keep themselves updated with regulatory requirements changes through attendance at relevant conferences and training programmes. The Company Secretaries have fulfilled the Mandatory Continuing Professional Development requirements imposed by MAICSA and Companies Commission of Malaysia.</p> <p>The appointment and change of Company Secretary is subject to the Board's approval.</p> <p><u>Company Secretaries Responsibility</u></p> <p>The Company Secretaries demonstrates ongoing support in advising and assisting the Board on matters relating to the affairs of the Company, including issues pertaining to compliance, corporate governance and best practices, boardroom effectiveness and Directors' duties and responsibilities. This includes disclosure of Directors' interest in securities, disclosure of conflict of interest in transactions, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information. The Company Secretaries are also responsible for facilitating new Directors' induction and assisting in the Director's training and development.</p> <p>The Company Secretaries advise the Board on compliance and best practices with the relevant changes to the laws, rules and regulations, which include the enforcement of Companies Act 2016, Bursa Malaysia's Main Market Listing Requirements ("MMLR"), The Malaysian Code on Corporate Governance ("MCCG") and the BNM Corporate Governance Guidelines.</p>

The responsibilities of the Company Secretaries include ensuring that the Directors have access to the knowledge and training they need. The Company Secretaries assist the GNRC in assessing and evaluating the Board members' training needs on an annual basis to ensure the Board members are equipped with the necessary knowledge and updated with the evolving market, regulatory changes and development affecting the MBSB Group.

To ensure smooth information flow between the Management and the Board, the Company Secretary is also appointed as the Secretary of Management-led Committees such as the Group Management Committee (“GMC”) and Group Management Investment & Credit Committee (“GMICC”).

The Company Secretaries ensure that deliberations at Board and Board Committees meetings are well documented and communicated to the relevant Management members for appropriate action. The Company Secretaries also update the Board and Board Committees on the follow-up of its decisions.

The Company Secretaries have assisted the GNRC in ensuring that the Board composition across the MBSB Group is appropriately aligned, to facilitate effective communication and implementation of Group-level strategies and decisions across subsidiary companies.

The Company Secretaries are also involved in organising general meetings and ensuring all due processes and proceedings are in place and properly managed. The Company Secretaries will assist the Chairman and the Board to conduct the meeting and ensure the minutes are properly recorded, particularly the questions raised by the shareholders.

2025 activities

The Company Secretaries have assisted the Board and GNRC in the appointment of new directors i.e. Encik Sazaliza bin Zainuddin (“Encik Sazaliza”), Datuk (Dr.) Normala @ Noraizah binti A. Manaf (“Datuk Nora Manaf”) and Puan Maheswari A/P G Kanniah (“Puan Maheswari”) at MBSB Berhad and appointment of new directors at the subsidiary companies.

The Company Secretaries also support the Board and the GNRC in matters relating to the reappointment and re-election of directors, Board remuneration review, the annual training plan, and the review of the composition of the Board and Board Committees across the Group.

In addition, the Company Secretaries assist the Board and the GNRC in monitoring the Board Skills Matrix and diversity, as well as identifying suitable candidates for appointment to ensure a smooth transition for retiring directors.

	<p>During the year, the Company Secretaries facilitated the orientation/induction programmes for the new directors appointed to the MBSB Group. The Company Secretary and the relevant Management team members had briefed the directors to familiarise the directors with the business and operations of the Group. In addition, the Company Secretaries also co-ordinate the registration on training programmes for directors and ensure that the Directors of the Group attend mandatory certification and training programmes within the stipulated timeline.</p> <p>In 2025, the Company Secretaries updated the Board on the amendments to the Main Market Listing Requirements in relation to enhanced continuing disclosure requirements and exempted related party transaction and significant change in the business direction or policy of a listed corporation including back-door listings and reverse take-over.</p> <p>The Company Secretaries are also involved in organising general meetings to ensure all due processes and proceedings are in place and properly managed. In 2025, the Annual General Meeting was held on 26 June 2025. The Company Secretaries also ensured that the minutes are properly recorded, particularly the questions raised by the shareholders.</p> <p>All Board members have full access to the advice and services of the Company Secretaries. The Board was satisfied with the Company Secretaries' performance and support to the Board in discharging its functions based on the feedback received from the Board Effectiveness Evaluation in 2025.</p>	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, the annual meeting calendar is prepared and circulated in advance of each new calendar year. The Board Charter of MBSB requires the agenda and the meeting papers relevant to the business of the meeting to be circulated to all Directors on a timely basis to allow Directors to have sufficient time to review matters to be deliberated at the meeting and to facilitate informed decision-making. For proposals that are not submitted within the agreed timeline, the Chairman has the discretion to decide whether to deliberate on these papers, based on the importance and urgency of the proposals.</p> <p>The Board are conscious of the environmental impact and has agreed to go paperless for all Board and Board Committee meetings, and the same applies to the meetings for the Management Committees as well. As such, digital copies of the meeting papers are circulated to the Board, Board Committees and Management Committees instead of hard copies. The digital copies of the meeting papers are uploaded to a secured system to allow easy access to documents in a timely and more efficient manner.</p> <p>Deliberation and decision of the Board and Board Committees are well documented in the minutes, including matters where Directors are required to abstain from voting and deliberation. The Board's decisions are communicated to the Management normally within one (1) business day after the meeting for appropriate actions.</p> <p>The Company Secretaries will follow up on the status of actions and update the Board and Board Committees at the subsequent meetings until the matter is eventually resolved/ closed.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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 Board of MBSB is guided by the Board Charter, which clearly identifies the respective roles and responsibilities of the Board, individual directors, Senior Independent Director, Chairman and GCEO. The matters reserved for the Board have been clearly specified in Paragraph 2.1.4 of the Board Charter.</p> <p>The Board Charter is a dynamic document and will be updated from time to time to reflect changes to the Company’s policies, procedures and processes, and amended rules and regulations of the relevant authorities.</p> <p>The Board Charter is reviewed every two (2) years or as and when required. The Board Charter was last revised in 2024 and will be reviewed in 2026.</p> <p>The roles and responsibilities for the Board Committees and Management Committees are set out in the TOR of each of the Committee. The TOR for the GBAC, GBRCC and GNRC are available on MBSB’s website at: https://www.mbsb.com/corporate_governance.html.</p> <p>The Group Approving Authority (“AA”) Manual will be reviewed from time to time to reflect the necessary changes in the internal process and regulatory requirement to ensure operational efficiency and readiness.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The 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 Board has established the Group Code of Ethics for Directors in line with the practices in the MCCG and incorporated the recommendations from the Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission and Code of Ethics recommended by the Financial Services Professional Board.</p> <p>The Directors observe the Code of Ethics in the performance of their duties and are fully subscribe to highly ethical standards considering the interest of all stakeholders. All Directors are always required to act honestly and use reasonable care and diligence in discharging their duties and avoiding any conflict of interest whether potential, actual or perceived conflict of interest.</p> <p>The Group Code of Ethics for Directors was last reviewed in 2024 as part of the post-merger's policy harmonization exercise for adoption by MBSB Bank and MIDF. The Group Code of Ethics for Directors of MBSB is available on MBSB's website at https://www.mbsb.com/Group_Code_of_Ethics_Directors.pdf.</p> <p>The Board has also established a Group Conflict of Interest Policy for Directors and Key Senior Management to provide a systematic mechanism for disclosing potential, actual and perceived conflict of interest. A Director who is interested in certain transactions, directly or indirectly, is required to abstain from any reporting, discussion or vote on issue that gives rise to the conflict. The interested Director is required to be absent or excused from the meeting during such deliberations. The Company Secretary shall record each Director's conflict of interest disclosed in the minutes of the said meeting. The Group Conflict of Interest Policy for Directors and Key Senior Management is reviewed every two years or as and when required. The Group Conflict of Interest Policy for Directors and Key Senior Management was last reviewed in 2024 in line with the Guidance on Conflict of Interest issued by Bursa Malaysia.</p>

In FY2025, the GBAC confirms that there was no COI reported for review (excluding the financial transaction entered by the MBSB Group involving related parties).

The Group has also established the Group Code of Ethics and Conduct for Employees Policy (“GCOEC”), to set the standards of behaviour expected of its employees and to encourage employees to report on suspected fraud, misconduct behaviour and/or violations of the Code of Ethics and Conduct as well as any other directives or policies issued by the Group from time to time. This is to support the Group’s values to uphold the highest standard of personal and professional integrity, ensure employees can raise concerns without fear of reprisals, and provide a transparent and confidential process for dealing with genuine concerns to safeguard the interests of the Group.

To ensure adherence to the guidelines, the Management of the MBSB Group has taken steps to establish an effective monitoring process. All staff are required to observe the principles and uphold the corresponding conduct to achieve a high standard of professionalism and ethics in conducting business and professional activities. The GCOEC is divided into two (2) areas:

1. Code of Ethics - outlines a set of principles that guides decision-making.
2. Code of Conduct - outlines specific behaviours and conduct required or prohibited within the Group as a condition of ongoing employment and the expected conduct in employees’ interaction with various key stakeholders.

Adherence to the GCOEC is a condition of employment with the MBSB Group. Each employee is required to execute a declaration signifying their agreement to comply with the terms and requirements of the GCOEC by signing the “Employee Declaration of Compliance”.

The GCOEC is reviewed every two (2) years or as and when required. The GCOEC was last reviewed in September 2025 to align with the new Group Gift, Entertainment, and Corporate Hospitality Policy, which was established by MBSB Group in 2025.

MBSB Group has adopted a No Gift Policy, which is part of the Group Gift, Entertainment, and Corporate Hospitality Policy, to promote ethical conduct and transparency across all staff, Directors and Shariah Advisory Committee (“SAC”) members. Except as otherwise provided in the policy, MBSB Group prohibits accepting or giving gifts, entertainment, or hospitality that could influence business decisions and maintain integrity.

Non-allowable gifts include cash, anything illegal, Shariah non-compliant gifts (except for non-Muslim staff), or anything that could influence business decisions improperly. Gifts or hospitality above RM300 requires mandatory declaration and approval according to a specified matrix, with strict documentation and timely disclosure.

Failure to comply may lead to disciplinary action. The policy also emphasizes politely declining gifts that do not comply with the policy while maintaining good relations.

Overall, the policy reinforces a "No Gift" principle with well-defined exceptions to maintain integrity, prevent corruption, and ensure transparency in all gift-related dealings within MBSB Group.

MBSB Group has adopted Group Anti-Bribery and Corruption Policy, which complies with the 'Guideline for the Management of Integrity & Governance Unit' issued by the Malaysian Anti-Corruption Commission ("MACC") and 'Guidelines on Adequate Procedures' issued by the Prime Minister's Department. It also defines the scope and roles of Integrity & Governance Unit ("IGU") and other relevant functions within the Group in carrying out their duties to prevent, detect and correct all instances of bribery, corruption and abuse of power as part of implementing adequate measures to enhance and uphold a high integrity culture.

The main purpose of IGU is to ensure an honest and high-integrity work culture amongst the employees, including members of Senior Management and the Board, and to combat bribery, corruption, and abuse of power. The IGU Officer has unimpeded access to the Board (via GBRC/Board Risk Management & Compliance Committee of Operating Subsidiaries). The IGU Officer administratively reports to Group Chief Compliance Officer on matters regarding integrity issues and activities carried out in relation to adequate procedures within the MBSB Group.

The Group Anti-Bribery and Corruption Policy was last reviewed in September 2025 to align with the new Group Gift, Entertainment, and Corporate Hospitality Policy. Integrity & Governance Unit (IGU) Procedures were also established to operationalise the Group Anti-Bribery and Corruption Policy and to reaffirm the commitment in upholding the highest standards of integrity, transparency, and accountability.

MBSB Group adopts zero-tolerance on any form of bribery, corruption and abuse of power. The Group Anti-Bribery and Corruption Policy is implemented to manage the risk of bribery and corruption within the MBSB Group. The Group Anti-Bribery and Corruption Policy should be read in conjunction with the Group Whistleblowing Policy.

All employees are entrusted with the responsibility of staying alert to prevent and detect defalcations, misappropriations and other irregularities. The policy sets out the specific roles of employees in the prevention and detection of fraud and fraud discovery reporting and the procedures and processes the MBSB Group will take in respect of employees involved in fraudulent acts. The Group Anti-Bribery and Corruption Policy are accessible to all employees via the intranet, and the employees had been notified on how to access it.

All Directors, SAC members and employees of the MBSB Group are required to complete the Individual Integrity Pledge. All newly appointed external service providers or those who renewed their services with the MBSB Group are required to execute the contract agreement with specific Anti-Bribery and Corruption clauses or in absence of contract agreement, the Anti-Bribery and Corruption Declaration Form.

It is also a requirement for all MBSB Group employees to complete e-learning modules on Integrity and Governance on annual basis.

As part of the MBSB-MIDF post merger's policy harmonization exercise, the Group Asset & Liability Declaration (ALD) Policy was enhanced in February 2025.

The objective of this policy is to provide an overview on MBSB and its subsidiaries to enhance the governance of integrity, anti-bribery and corruption practices at MBSB. The direction is in line with Integrity & Governance Unit's ("IGU") Work Plan i.e., Adequate Procedures Program's initiative whereby MBSB demonstrates the top-level commitment principle towards this policy requirements. The scope of this policy aims to reflect transparency of conduct amongst the employees and to protect MBSB's interest and to address amongst others, investigation into corruption allegations, abuse of power, detecting illicit enrichment and conflict of interest.

The ALD Policy enhancement was made to expand the scope to include declaration by all executive employees.

On-boarding due diligence is conducted for new Directors, SAC members, employees, and customers applying for financing facilities and as well as external service providers. On-going due diligence is also required to be conducted on all parties that have established and/or renewed relationship with MBSB Group, which includes customers and external service providers.

The Group has also established the Group Anti-Money Laundering, Countering Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) Policy, which is part of the Group's Compliance policy. The Group is committed to fully cooperate with the relevant local and international authorities and law enforcement agencies in combating Anti-Money Laundering and Counter Financing of Terrorism. Appropriate internal controls and procedures for money laundering prevention are in place. The Group Compliance Division carries out regular checks and training to ensure that employees are fully aware of and committed to discharging their obligations. The Group AML/CFT/CPF Policy was last reviewed in December 2025.

The Group has established the Group Related Party Transactions Policy that outlines the roles and responsibilities expected of the Management and the Board of Directors as well as other relevant

	<p>divisions or departments within the Group. It provides guidance on transactions that involve related parties and ensures that such transactions are conducted at an arm's length basis and in accordance with good governance, as well as with appropriate disclosures.</p> <p>The Group has established a Group Corporate Disclosure Policy to create awareness and provide guidance to the Directors, the Management, and employees of the Group on the policies and procedures in disseminating corporate information and in dealing with the shareholders, stakeholders, media, analyst and the investing public and ensure that the parties encompassed by the policy understand their obligation in protecting the confidentiality of material information.</p> <p>The Group has since established a guideline on handling confidential and sensitive information or documents. Officers and personnel privy to the confidential material information must sign a Non-Disclosure Agreement to ensure that they keep the confidential information secret and avoid any misappropriation or misuse of such confidential information.</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 3.2

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

Application	: Applied								
Explanation on application of the practice	<p>The Group has in place the Whistleblowing Policy to provide an avenue for the employees and members of the public or any external party to raise concerns without fear of reprisal and to promote highest possible standards of ethical and level business conduct. The said policy clearly outlines the process flow to guide the whistleblower to raise their concerns and provides assurance that the whistleblower will not be at risk of reprisal due to reporting their concerns. The policy also provides a secure, convenient channel and protects the confidentiality of the employees who make the report. The Whistleblowing Policy is periodically communicated to employees to increase awareness.</p> <p>The Whistleblowing Policy is reviewed every two (2) years or as and when required. The Whistleblowing Policy was last reviewed in June 2024 as part of the post-merger’s policy harmonization exercise and has been renamed to Group Whistleblowing Policy.</p> <p>According to the Group Whistleblowing Policy, the whistleblowing reports shall be forwarded in the following manner:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Complaint against</th> <th>Report to</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> • Chairman of the GBAC/BAC </td> <td>Chairman of the Board</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Chairman of the Board • Members of the Board of MBSB Bank or MBSB (other than Chairman of the GBAC/BAC) • Members of SAC • CEO • Employees • Trainee </td> <td>Chairman of the GBAC/BAC</td> </tr> <tr> <td> <ul style="list-style-type: none"> • Chairman of the Board and Chairman of the GBAC/BAC </td> <td>Senior Independent Non-Executive Director (SINED)</td> </tr> </tbody> </table> <p>Whistleblowing by members of the public or any external party (including those received via the Customer Experience Management Department) will be channelled to the designated persons. The</p>	Complaint against	Report to	<ul style="list-style-type: none"> • Chairman of the GBAC/BAC 	Chairman of the Board	<ul style="list-style-type: none"> • Chairman of the Board • Members of the Board of MBSB Bank or MBSB (other than Chairman of the GBAC/BAC) • Members of SAC • CEO • Employees • Trainee 	Chairman of the GBAC/BAC	<ul style="list-style-type: none"> • Chairman of the Board and Chairman of the GBAC/BAC 	Senior Independent Non-Executive Director (SINED)
Complaint against	Report to								
<ul style="list-style-type: none"> • Chairman of the GBAC/BAC 	Chairman of the Board								
<ul style="list-style-type: none"> • Chairman of the Board • Members of the Board of MBSB Bank or MBSB (other than Chairman of the GBAC/BAC) • Members of SAC • CEO • Employees • Trainee 	Chairman of the GBAC/BAC								
<ul style="list-style-type: none"> • Chairman of the Board and Chairman of the GBAC/BAC 	Senior Independent Non-Executive Director (SINED)								

	<p>appointed Investigation Officer may inform (if contactable) the whistleblower of the result of the investigation without disclosing the contents of the investigation findings.</p> <p>The details on whistleblowing policy are available on the website at https://www.mbsb.com/whistleblower_policy.html (MBSB), https://www.midf.com.my/whistleblowing (MIDF) and https://www.mbsbbank.com/whistleblowing-policy (MBSB Bank).</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 4.1

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>MBSB has refreshed its Sustainability Governance in 2025 to ensure a targeted focus on the deliberation of sustainability and climate-related risks (<i>Refer to 'Our Sustainability Governance' section in the Sustainability Report</i>).</p> <p>MBSB's sustainability governance sets out the sustainability and climate-related risks' roles and responsibilities of the Board and Management to reflect our vision to go beyond being a leader in Islamic Finance, but to leave a legacy that resonates fairness, inclusivity and responsibility to the people and planet.</p> <p>The Board of MBSB holds the ultimate responsibility for managing the Group's sustainability and climate risk management matters. Key governance responsibilities for the Board are as follows:</p> <ul style="list-style-type: none">• Assume ultimate responsibility for managing the Entity's sustainability and climate risk management matters.• Review and approve for adoption the entity's and Group's strategies on promotion of sustainability and climate risk management through appropriate environmental, social and governance (ESG) consideration in the Entity's businesses.• Review and approve for adoption the Group's sustainability and climate risk management frameworks and policies on sustainability matters in the Entity's businesses.• Review and approve for adoption the entity's and Group's sustainability and climate risk management metrics, risk appetite statements and key performance indicators in the Entity's businesses. <p>In 2023, we conducted a comprehensive materiality assessment to establish a baseline for identifying key ESG priorities. This was followed by a review in 2024 to refine our focus areas and ensure alignment with evolving stakeholder expectations, regulatory developments, and</p>

	<p>market trends. These efforts reflect our dedication to remaining responsive and adaptive in our sustainability journey, enabling us to deliver meaningful and lasting value. The materiality assessment process and Materiality Matrix are disclosed in the Sustainability Report. In 2025, we conducted a minor refresh of our sustainability materiality matters, placing greater emphasis on serving the communities in line with our ongoing CSR and zakat-related activities.</p> <p>The Board discusses and receives regular updates on material issues, developments and progress against set sustainability commitments on sustainability and climate-related risks.</p> <p>The Group Board Risk and Compliance Committee (GBRCC) assist the Board in fulfilling its fiduciary responsibilities, particularly in establishing controls to manage sustainability and climate risk. GBRCC also review and recommend the Group’s sustainability and climate risk management strategies, new frameworks, policies and risk appetite statement to the MBSB Group Board for approval, and approve changes to the Group’s sustainability and climate risk management strategies, frameworks and policies.</p> <p>The Group Management Risk and Compliance Committee reviews and recommend sustainability and climate risk strategies and policies to GBRCC and the Board, review and recommend sustainability metrics, targets and KPIs for approval, ensure policies and procedures are established to support the implementation of sustainability and climate risk initiatives and deliberate and review sustainability and climate-related risk reports.</p> <p>The Group Sustainability Steering Committee, chaired by the Group Shariah and Sustainability Officer, shall provide business ideas, process innovation and data to support sustainability and climate risk management efforts, coordinate and monitor the implementation of the sustainability and climate risk management strategy and projects for the Group and its entities, review and recommend all sustainability and climate risk-related tools for implementation, ensure the operational and system readiness of new sustainability and climate risk management initiatives and projects, and provide strategic guidance to support the development of sustainable finance, transition finance and climate-aligned products and solutions.</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>	

Timeframe	:		
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Intended Outcome

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

Practice 4.2

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

Application	: Applied
Explanation on application of the practice	<p>MBSB Group prioritises transparency in communications with stakeholders to foster trust and confidence in its business operations. The Group actively engage with both internal and external stakeholders to gather information, address concerns, and communicate on the company's sustainability strategies, priorities and performance (i.e.: Annual General Meeting, Employees Townhall, Employee Engagement Survey, etc).</p> <p>The Group conducts a full materiality assessment at least once every three years to ensure that the MBSB Group addresses and incorporates matters deemed important by stakeholders, aligning with current trends and demands.</p> <p>As part of the materiality assessment process, the MBSB Group conducted a stakeholder engagement survey with both internal and external stakeholders to gather input on matters material to the MBSB Group. The survey results were further deliberated on by Senior Management through a workshop and discussion sessions. The outcome of this assessment (i.e.: 2023 Materiality Matrix) was reviewed and validated by the Management Committee, respective Board Committees and subsequently approved by the Board of Directors.</p> <p>The Materiality Matrix assessment identified 6 material matters as top priority, namely Economic Performance, Ethics and Integrity, Customer Experience and Satisfaction, Competent Workforce, Innovation and Technology, and Data Privacy and Cyber Security from the wider material matters which includes Serving the Communities, Sustainable Procurement, Diversity and Equal Opportunity, Environmental Stewardship, Sustainable Financing and Employee Health and Wellbeing. MBSB communicated to its stakeholders via various channels, which include statutory disclosure documents, such as Sustainability Report, Integrated Annual Report and Corporate Governance Report. In addition, various other channels were used to inform our external stakeholders on our sustainability and climate-related risk efforts. This includes, but is not limited to MBSB's Annual General Meetings, public events, client engagement sessions and MBSB's corporate website.</p>

	<p>Internally, engagements with relevant business divisions and business enablers are regularly undertaken via sustainability and climate-related trainings, one-on-one meetings, and focus groups discussions to share updates on sustainability and best practices to benefit our customers and the communities we serve. In 2025, MBSB continued to build the sustainability foundation and culture. Curated group-wide sustainability trainings were rolled-out across the group, sustainability contents were communicated via our internal newsletter “M-Journal” to promote cultural change and a Sustainability Awareness Day was hosted on 8 October 2025 with the theme, “Act for Impact”.</p> <p>In 2024, the Board approved four key sustainability commitments as follows:</p> <ul style="list-style-type: none"> (i) Catalyse RM10 billion in sustainable and transition finance by 2026; (ii) Achieve a Carbon Neutral for Scope 1 and Scope 2 by 2030; (iii) Achieve Net Zero by 2050; (iv) Achieve 50,000 volunteer hours via various social and environmental initiatives <p>In 2025, MBSB Group advances its four (4) core sustainability commitments as follows:</p> <ul style="list-style-type: none"> (i) Catalysed RM13 billion in sustainable and transition financing (ii) Achieved a 15% reduction in energy consumption at Menara MBSB Bank (iii) Recorded financed emissions of approximately 700,000 tCO₂e with an emissions intensity of 20 tCO₂e/RM million (iv) Contributed a cumulative total of more than 22,000 volunteer hours <p>Recognizing the importance of sustainability, the Board has integrated it as Key Performance Indicators (KPIs) within Senior Management's performance evaluations and incentive frameworks. These KPIs directly reflect our four sustainability commitments and the approved sustainability initiatives for the current year. We are continuously monitoring the sustainability commitments to ensure that we are always on track in achieving the respective commitments.</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>

Timeframe	:		
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Intended Outcome

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

Practice 4.3

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>The Board ensures continuous professional development is undertaken by each of its members. The Board ensures they are accorded relevant opportunities to keep themselves abreast with the latest developments, such as legal and regulatory changes, industry developments, business development and sustainability matters.</p> <p>The Board is committed to the continuous professional development of its members. The Board remains informed about the latest developments in areas such as legal and regulatory changes, industry trends, technological changes, etc.</p> <p>Sustainability updates, including sustainability opportunities and climate-related risks, are regularly presented and updated by the Group Chief Shariah and Sustainability Officer and Group Chief Risk Officer to the relevant committees and the Board.</p> <p>In 2025, various sustainability and climate-related training sessions were conducted across the Group, including Board and Senior Management, business divisions, and support functions. In 2025, MBSB hosted trainings for its Board and Senior Management, titled, “Board Leadership in Sustainability” and “Sustainability – An Evolution Driving Business Growth”.</p> <p>Various capacity buildings were organized across the Group. The trainings covered topics such as the CCPT assessment, IFRS S1 and S2, among others. In addition, capacity buildings were conducted via self-paced learnings, such as LinkedIn Learning, UNGC e-learning and Group Sustainability training. These trainings aim to equip staff with a better understanding of the evolving sustainability landscape and regulatory expectations.</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 4.4

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>In 2025, MBSB’s Board Effectiveness Evaluation (“BEE”) exercise was facilitated by Deloitte Business Advisory Sdn Bhd. The Board members were formally assessed on their literacy and performance in exercising oversight on material sustainability risks and opportunities. As part of the BEE process, there was coverage across the evaluation questionnaires and interview sessions on the following key oversight areas with regards to sustainability:</p> <ul style="list-style-type: none"> • Navigation of Environmental, Social and Governance (“ESG”) imperatives in alignment with regulatory and industry standards • Integration of climate related considerations in operations • Resilience of risk framework in response to ESG risks <p>Recognising that enhancing its oversight on sustainability is an organic process which requires continuous improvement, there is recognition that the Board can continue to heighten its performance monitoring on ESG milestones and steer the course of MBSB’s strategies in achieving long term sustainable growth.</p> <p>The Board also ensures ESG considerations are incorporated in the business plans.</p> <p>Cognizant of the crucial role that senior management accountability and commitment play in driving the Group’s sustainability agenda, the Board has incorporated sustainability targets into the Group Management Committee’s scorecards. Sustainability is a Key Performance Indicator (“KPI”) with a designated weight in the Group’s balanced scorecard, which assesses deliverables derived from both internal targets and external commitments. The Shariah and Sustainability division oversees progress against these KPIs, providing regular reports to relevant committees.</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 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>Group Chief Shariah and Sustainability Officer (GCSO) is responsible to oversee both the shariah and sustainability functions. This dual responsibility underscores MBSB's ambition to lead the way in integrating shariah principles with sustainability.</p> <p>The GCSO, report directly to the Group Chief Executive Officer, drives sustainability implementation across the Group. This includes monitoring sustainability progress, changes in regulatory, industry developments, and providing updates on sustainability matters to relevant committees and Board. The GCSO's role is also pivotal in embedding Shariah and sustainability as the core guiding principles of the Group's strategic plan.</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.

Application	:	Applied
Explanation on application of the practice	:	<p>The GNRC reviews the composition of the Board and the tenure of the Directors on an annual basis to ensure that the Board has the right mix of skills and experience, diversity and other qualities including core competencies which the directors should bring to the Board. The GNRC also reviews the succession plan for the Board and key senior management personnel.</p> <p>For the year under review, none of the Independent Director of MBSB have served more than (9) years in the MBSB Group.</p> <p>The GNRC, guided by the Board Skills Matrix, identifies the selection criteria for the new directors i.e. compliance/ human resource/ sustainability/ banking/ legal and also considers gender diversity for the Board of MBSB Group. A Board Skills Matrix is used to understand the capabilities and personal attributes of the existing Board members and as a guideline for appointment of new Directors. Similar process is also carried out for the appointment of directors at the subsidiary companies.</p> <p>The Board had agreed to review the composition of the Board of MBSB with primary focus to achieve 30% female representation target on the Board as one of the key focus areas in 2025.</p> <p>During the year, as part of the succession planning for Puan Lynette Yeow Su-Yin, who will retire as Senior Independent Non-Executive Director of MBSB on 21 March 2026 upon completion of a cumulative tenure of 9 years as Independent Director of MBSB, the GNRC had sourced for potential female candidates from Institute of Corporate Directors Malaysia ("ICDM") and FIDE FORUM as well as recommendations from Directors. The GNRC was also mindful of the best practice to achieve 30% female representation on the Board.</p> <p>The GNRC had identified, evaluated and assessed the fit and proper criteria and the suitability of the candidates to be appointed as new directors of MBSB and had accordingly recommended two female candidates i.e. Datuk Nora Manaf and Puan Maheswari.</p>

Datuk Nora Manaf was appointed as an Independent Non-Executive Director of MBSB effective 15 July 2025. Datuk Nora Manaf has more than 30 years of experience in human resources including prior experience in the largest banking institution in the country by market capitalization. Datuk Nora Manaf is a qualified Chartered Accountant (Malaysian Institute of Accountants), Chartered Banker (Asian Institute of Chartered Bankers), Master Professional (Institute for Human Resource Professionals, Singapore), Chartered Fellow (Chartered Institute of Personnel and Development, UK) and Black Belt Sustainability Practitioner. Datuk Nora Manaf is also an ICAEW Approved Training Employers (ATE).

She was also appointed as Member of GNRC and GBAC effective 15 July 2025. With her strong background in human resources, GNRC and the Board agreed that she will be a good fit to complement the existing skill matrix for the Board and the Board Committees. She will be able to provide strategic oversight over the workforce, workplace and performance futurization as well as develop a strong talent strategy, pool and pipeline to drive sustainable performance of MBSB Group.

Puan Maheswari was appointed as an Independent Non-Executive Director of MBSB effective 1 August 2025. Puan Maheswari is an experienced Regulatory and Compliance professional with over 46 years of experience including senior management roles in the financial services sector. She has wide-ranging exposures covering Compliance, Regulatory, Governance, Ethics, Fraud Investigation and Risk Management functions in the financial and capital market services as well as company secretarial functions.

Puan Maheswari is a Life Fellow of Institute of Corporate Directors Malaysia, Fellow Chartered Secretary and Chartered Governance Professional of the Chartered Governance Institute, United Kingdom and the MAICSA. She is also a Certified Fraud Examiner (“CFE”) with the Association of Certified Fraud Examiners (ACFE), US/Malaysia, a Chartered Banker (Asian Institute of Chartered Bankers), a Certified Capital Market Professional – Compliance Advocate, a Certified Expert in ESG and Impact Investing from Frankfurt School of Finance & Management.

Puan Maheswari’s extensive years of experience in compliance, regulatory, governance, ethics, fraud investigation and risk management will bring invaluable expertise to the Board. Her diverse skill set not only complement the existing skill matrix for MBSB Board but will also enhance the overall effectiveness and strategic decision-making of the Board specifically in regulatory, compliance and risk management matters.

In addition, GNRC recommended and the Board agreed to appoint Puan Maheswari as the Chairman of the Group Board Risk & Compliance Committee (“GBRCC”) and a member of Board Audit Committee effective 1 August 2025 in view of her extensive experience in risk and

compliance and relevant professional qualifications, which would enable her to contribute effectively to the deliberations of both Committees.

The Board has achieved the target of 30% female representation on the Board, with the female Directors comprising 50% of the Board as at 31 December 2025.

The GNRC is also responsible for accessing and recommending the retiring Directors for re-election at the AGM for MBSB.

The provisions on the retirement of Directors are provided in the Constitution of MBSB as follows:

Clause No.	Description
90	The Board shall have power from time to time and at any time to appoint any person to be a director, either to fill a casual vacancy or as an addition to the Board, provided that the total number of directors shall not exceed the prescribed maximum. A director so appointed shall hold office only until the next annual general meeting, and shall be then be eligible for re-election.
100	At each AGM, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office at the conclusion of the meeting PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years. A Director retiring at a meeting shall retain office until the close or adjournment of the meeting.
101	An election of Directors shall take place each year and a retiring Director shall be eligible for re-election.

Encik Ho Kwong Hoong (“Encik Ho”) was appointed as Independent Non-Executive Director of the Company on 1 November 2024.

Encik Szaliza bin Zainuddin (“Encik Szaliza”) was appointed as Non-Independent Executive Director of the Company on 1 January 2025.

Encik Ho and Encik Szaliza being eligible to stand for re-election, had stood for re-election in accordance with Clause 90 of the Company’s Constitution at the AGM in 2025.

Pursuant to Clause 100 of the Company’s Constitution, Encik Mohamad Abdul Halim bin Ahmad (“Encik Halim”) and Dr. Loh Leong Hua (“Dr. Loh”) were due for retirement by rotation at the AGM in 2025. Encik Halim being eligible to stand for re-election had stood for re-election in accordance with Clause 100 of the Company’s Constitution at the AGM in 2025.

	<p>As for Dr. Loh, he had expressed his intention not to seek for re-election at this AGM after having served as director of the Group for more than 8 years since his first appointment as a director of Asian Finance Bank Berhad (now known as MBSB Bank Berhad) on 1 March 2017. He held office until the conclusion of the AGM, and retired in accordance with Clause 100 of the Company's Constitution.</p> <p>The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and GNRC meeting. The Board and GNRC had considered the performance and contribution of each of the retiring Directors and also assessed the independence of the Independent Non-Executive Directors seeking re-election.</p> <p>The assessment for the re-election of director had taken into account the service tenure of the directors in accordance with the Board Charter.</p> <p>All three directors who had offered themselves for re-election at the AGM in 2025 were duly re-elected.</p> <p>Please refer to the explanation in Practice 5.7 for more information.</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>Having a majority of Independent Directors on the Board can bring expertise and objectivity, which would assure that the Group is effectively managed and in the best interest of stakeholders.</p> <p>As at 31 December 2025, the Board of MBSB is made up of 62.5% of Independent Directors.</p> <table border="1"><thead><tr><th rowspan="2">Designation</th><th colspan="2">MBSB</th></tr><tr><th>Number of Directors</th><th>Percentage (%)</th></tr></thead><tbody><tr><td>Non-Independent Non-Executive Director</td><td>2</td><td>25</td></tr><tr><td>Non-Independent Executive Director</td><td>1</td><td>12.5</td></tr><tr><td>Independent Non-Executive Director</td><td>5</td><td>62.5</td></tr><tr><td>Total</td><td>8</td><td>100.00</td></tr></tbody></table> <p>The Independent Non-Executive Directors are independent of Management and free from any business or other relationship with the Company and the Group, which could materially affect the exercise of their independent judgment. The number of Independent Directors fulfils the requirement of Bursa Malaysia for one-third of Board members to be independent and contributes towards greater impartiality and objectivity in the Board's decision-making process.</p> <p>Each Independent Director is required to submit an annual declaration of their independence. The Board, through the GNRC, will assess the Independent Directors annually. The following are considered when assessing the Directors' independence:</p> <ul style="list-style-type: none">• Fulfilment of all criteria under the definition of Independent Director as stated in BNM Corporate Governance Policy and Bursa Malaysia's MMLR;• Ability to function as a check and balance and bring an element of objectivity to the Board;• Ability to constantly challenge the Management effectively and constructively;• Actively participate and provide independent advice in all Board/Board Committees discussions; and• Ability to act in the best interests of the Company and the Group.	Designation	MBSB		Number of Directors	Percentage (%)	Non-Independent Non-Executive Director	2	25	Non-Independent Executive Director	1	12.5	Independent Non-Executive Director	5	62.5	Total	8	100.00
Designation	MBSB																		
	Number of Directors	Percentage (%)																	
Non-Independent Non-Executive Director	2	25																	
Non-Independent Executive Director	1	12.5																	
Independent Non-Executive Director	5	62.5																	
Total	8	100.00																	

	<p>The Board was satisfied with the results of the FY2024 independence assessment of the Directors. The outcome indicated that the Independent Directors were independent of management and free of any interest, position, association, or other relationship that might materially influence their capacity to act objectively in the Group and its stakeholders' best interests.</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

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	:	For the year under review, none of the Independent Director of MBSB have served more than (9) years in the MBSB Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises and embraces the benefits of having a diverse Board to ensure that the Board can perform effectively by providing the necessary range of perspectives, experience and expertise. The Board are committed to Board diversity and, at the same time, will ensure that all appointments to the respective Board are made based on merits while considering the needs and circumstances, the present size of the Board, suitability for the role, skills, experience, knowledge, experience and diversity.</p> <p><u>Board appointment</u></p> <p>The Board has established a formal and transparent procedure for the appointment of new directors. The process of appointment is detailed out is as follows:</p> <ol style="list-style-type: none">1. Identification of Skills and Qualifications2. Selection of Candidates3. Fit and Proper Assessment on Candidates4. GNRC deliberation5. Interaction with candidates6. Recommendation for Board's approval <p>A Board Skill Matrix is used to understand the capabilities and personal attributes of the existing Board members and used as a reference when considering the new appointment of directors. The GNRC has carried out the Fit and Proper Assessment on the candidates prior to making the recommendation to the Board for approval.</p> <p>The GNRC and the Board also considered the candidates' existing directorship (including non-listed companies), conflict of interest or potential conflict of interest (including any interest in any competing business with the Group), when considering the new appointment to ensure that they will be able to commit sufficient time to carry out their role as a Director and, where applicable, as a board committee member. As stated in the Board Charter, the Directors must not hold more than five (5) directorships in listed companies, listed collective investment schemes and issuers of any other listed securities.</p>

In line with the EPF Corporate Governance Principles and Voting Guidelines, the GNRC also reviewed the number of directorships held by the directors in public-listed companies (PLCs) with a market capitalisation of over RM2 billion (large cap companies)

All directors of MBSB does not hold directorship in more than 5 directorships in listed companies, listed collective investment schemes and issuers of any other listed securities and does not hold more than 3 directorships in large cap companies.

The Group Fit and Proper Requirements Policy outlines the criteria for the assessment of the suitability of the candidates for directorship, annual assessment for directors, re-election of directors and appointment/renewal of contracts for the GCEO, CEO of the Operating Subsidiaries, C-Suites and the Company Secretary:

- Probity, personal integrity and reputation - the person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
- Competence and capability - the person must have the necessary skills, experience, ability and commitment to carry out the role.
- Financial integrity - the person must manage his debts or financial affairs prudently.

In addition, background screening was conducted by an independent party as part of the Fit and Proper Assessment. The background screening covers the following areas:-

- a. Identification check
- b. Malaysia Anti-Corruption Commission (“MACC”) check
- c. Malaysia / International Security check
- d. Insolvency search
- e. Global Integrity check
- f. Global Internet & Media search
- g. Industrial Courts Record check
- h. Educational loan check
- i. Professional Association Verification
- j. Malaysia Regulatory check
- k. Directorship check
- l. Civil Records check
- m. Unethical Financing & Money Laundering search
- n. Academic verification

In 2025, the GNRC had conducted a Fit and Proper Review and Assessment on the GCEO, CEO of the Operating Subsidiaries, C-Suites and the Company Secretary of the Group. The GNRC was satisfied that all of the abovesaid fulfilled the requirements under the Group Fit and Proper Requirements Policy.

Board Composition

- a) Board Size

	<p>Through GNRC, the Board reviews the composition of the Board and Board Committees every year or as and when required. In 2025, the Board composition of MBSB have been reviewed in conjunction with the Board Effectiveness Evaluation to assess the optimum size and the required diversity. The Board agreed that the Board size was inadequate to enable effective oversight and delegation of responsibilities and active participation. The Board was of the view that the ideal Board size should be between 7 to 9 directors.</p> <p>With the appointment of Encik Szaliza bin Zainuddin as Non-Independent Executive Director of MBSB on 1 January 2025, retirement of Dr. Loh Leong Hua on 26 June 2025, appointment of Datuk Nora Manaf and Puan Maheswari as Independent Non-Executive Directors of MBSB on 15 July 2025 and 1 August 2025 respectively, the board size of MBSB has increased to 8. The GNRC sources for potential suitable candidates to be appointed as director of MBSB at appropriate times.</p> <p>b) Board Diversity</p> <p>The Board has adopted the Boardroom Diversity Policy, which covers diversity in terms of professional experience, skills, knowledge, education and background, age, ethnicity, culture and gender. The Board agreed to adopt a measurable objective of maintaining at least one (1) female Director on the Board. The diversity of skill, experience, and knowledge of Board members in various disciplines and professions allows the Board to address and/or resolve the various issues effectively and efficiently. A brief description of MBSB and MBSB Bank’s Board members' background and experience is disclosed in the “Profile of MBSB Board of Directors” section of the Integrated Annual Report 2025.</p> <p><u>Appointment of Senior Management</u></p> <p>The recruitment and selection framework at the MBSB Group aims to ensure a consistent, transparent, and objective recruitment process is followed. Effective recruitment and selection of employees including senior management is vital to the success of the Group. As such, the Group shall seek to recruit and retain the highest quality employee in a timely, professional, and cost-effective manner.</p> <p>MBSB Group has adopted the DEI (Diversity, Equity & Inclusivity) approach with no discrimination on grounds of national origin, citizenship status, race, religion, ethnicity, gender, marital status, age, pregnancy, physical handicap or disability status in all the related recruitment process including recruitment of senior management position.</p>
<p>Explanation for departure</p>	<p>:</p>

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 5.6

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>The GNRC sources for potential director candidates through various sources, including recommendations from existing board members, major shareholders, industry talent pool, independent search firms and independent directors' network.</p> <p>The GNRC sources for potential candidates from Institute of Corporate Directors Malaysia ("ICDM") and FIDE FORUM which provides Directors Register services, aside from recommendations by directors and major shareholders. The Directors Register by FIDE FORUM is a joint initiative by FIDE FORUM, BNM and Perbadanan Insurance Deposit Malaysia ("PIDM") that aims to enhance board governance in the area of board rejuvenation and succession planning. The Directors Register provides potential candidates who possess the right skills, expertise and aptitude to contribute as director.</p> <p>The GNRC also consider potential candidates within the Group e.g. directors of MBSB subsidiaries.</p> <p>The shortlisted candidates would be recommended to the GNRC for evaluation. The GNRC would also carry out the Fit and Proper Assessment of the candidates. An interaction session with the identified candidates would be carried out by the members of the GNRC before making the recommendation to the respective Board 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	:		
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Intended Outcome

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

Practice 5.7

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

Application	: Applied
Explanation on application of the practice	<p>The Board upon recommendation by GNRC, had recommended the following directors to be re-elected as directors of MBSB at the AGM in 2025:-</p> <ol style="list-style-type: none">1. Encik Ho Kwong Hoong (“Encik Ho”)2. Encik Szalaza bin Zainuddin (“Encik Szalaza”)3. Encik Mohamad Abdul Halim bin Ahmad (“Encik Halim”) <p>The Board and the GNRC had considered the performance and contribution of each of the retiring Directors, the service tenure and assessed the independence of the Independent Non-Executive Directors seeking re-election.</p> <p>The Board supported the re-election of all three (3) directors at the AGM in 2025 based on the following justification:-</p> <ol style="list-style-type: none">1. The Board and GNRC have assessed and were satisfied that that all three (3) Directors are not disqualified under the Companies Act, 2016 and Section 59(1) of the Financial Services Act 2013 (“FSA”). The Directors complied with the Fit and Proper Requirements as prescribed in the Fit and Proper Policy. The Directors also fulfilled the independence criteria set out in the BNM Corporate Governance Policy and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Background screening was conducted on the retiring Directors and there was no adverse finding or any interest, position or relationship that might influence, or reasonably be perceived to influence in the background screening that could materially affect the Directors’ capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of MBSB.2. In addition, background screening was conducted by an independent party for both directors. The background screening covers the following areas:-<ol style="list-style-type: none">a. Identification checkb. Malaysia Anti-Corruption Commission (“MACC”) check

	<ul style="list-style-type: none"> c. Malaysia / International Security check d. Insolvency search e. Global Integrity check f. Global Internet & Media search g. Industrial Courts Record check h. Educational loan check i. Professional Association Verification j. Malaysia Regulatory check k. Directorship check l. Civil Records check m. Unethical Financing & Money Laundering search n. Academic verification <p>3. There was no adverse finding or any interest, position or relationship that might influence, or reasonably be perceived to influence found in the background screening that could materially affect the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of MBSB.</p> <p>4. The Board and the GNRC had recommended the re-election of Encik Ho and Encik Szaliza as directors of MBSB pursuant to Article 90 of the Company's Constitution.</p> <p>5. In regards to the re-election of Encik Halim pursuant to Clause 100 of the Company's Constitution, the Board and GNRC had reviewed the performance of Encik Halim and his meeting attendance at the Board and Board Committees in 2023 and 2024. Encik Halim attended more than 95% of the Board and Board Committee meetings in 2023 and 2024. The Board and GNRC were satisfied with the performance and the contribution by Encik Halim to the Board and the Board Committees. Encik Halim participated actively in the deliberations during the Board and Board Committee meetings and was able to provide independent and diverse viewpoints</p> <p>Encik Halim is the Chairman of the Group Board Audit Committee ("GBAC"). With his background in accounting as an Associate Member of the Institute of Chartered Accountants in England and Wales, he would ask pertinent questions related to the financials of the MBSB Group and lead meaningful engagement sessions with the External Auditor, ensuring transparency and thoroughness.</p> <p>Encik Halim's financial acumen has also proven invaluable during deliberations, particularly regarding the proposal to acquire MIDF in 2024. As Chairman of the GBAC, he led the discussions and raised relevant enquiries to seek assurance from the Independent Advisers, ensuring that the proposal was fair, reasonable, and not detrimental to shareholders.</p>
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	<p>Encik Halim also received high scores in the peer evaluation which was part of the Board Effectiveness Evaluation in 2023 and 2024.</p> <p>The resolutions on re-election of all three (3) directors were approved by the shareholders at the AGM held on 26 June 2025.</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

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	:	As at 31 December 2025, the GNRC was chaired by Puan Lynette Yeow Su-Yin, the Senior Independent Non-Executive Director. Note: Puan Lynette Yeow Su-Yin has retired as Senior Independent Non-Executive Director of MBSB on 21 March 2026 as she has served as Independent Director of MBSB for a cumulative period of 9 years. The GNRC is chaired by Encik Ho Kwong Hoong, an Independent Non-Executive Director effective 21 March 2026.
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	:	As at 31 December 2025, four (4) of the eight (8) directors on the board were female directors, i.e. Puan Lynette Yeow Su-Yin, Datuk (Dr.) Yasmin binti Mahmood, Datuk Nora Manaf and Puan Maheswari, representing 50% of the Board's composition.	
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><u>Board</u></p> <p>MBSB is guided by the Group Boardroom Diversity Policy in which the selection of Board candidates is based on merits and contributions that the selected candidate will bring to the Board. The GNRC is responsible for ensuring that gender diversity objectives are adopted in the board recruitment and succession planning process.</p> <p>The Board adopts a measurable objective of maintaining at least one (1) female Director to ensure there is meaningful female representation, fostering diverse perspectives and inclusive decision-making at board level. The Board has increased the women directors composition to 50% as at 31 December 2025 in line with the MCCG 2021 and the EPF Corporate Governance Principles and Voting Guidelines 2024/2025 of having at least 30% women representation on the Board.</p> <p><u>Senior Management</u></p> <p>MBSB Group has adopted the DEI (Diversity, Equity & Inclusivity) approach with no discrimination on grounds of national origin, citizenship status, race, religion, ethnicity, gender, marital status, age, pregnancy, physical handicap or disability status for all recruitment process including recruitment of senior management position. The talent acquisition will be based on a compelling blend of merit, competencies, skills, extensive experience and knowledge as well.</p> <p>The Board regularly monitors the employee demographics in Senior Management. As at December 2025, female representation in Senior Management stood at 27%.</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

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>On an annual basis, the GNRC review the effectiveness of the Board and the Board Committees as well as the performance of individual Directors.</p> <p>The Board has undertaken an external Board Effectiveness Evaluation (“BEE”) exercise which was carried out by Deloitte Business Advisory Sdn Bhd (“Deloitte”) to assess the effective functioning of the Board. This exercise enabled the Board to evaluate its performance, the Board Committees and individual Directors in an objective and rigorous manner.</p> <p>During the period under review, the BEE was conducted premised on the assessment criteria that has taken into account relevant regulatory promulgations by Bank Negara Malaysia, Bursa Malaysia Securities Berhad, Securities Commission Malaysia and Companies Commission of Malaysia as well as leading practices. The process was carried out via BEE questionnaires that were distributed to the Directors, interviews with Directors and selected Senior Management personnel as well as review of governing policies and excerpts of Board and Board Committee minutes. The administration of the BEE questionnaires was conducted using Deloitte’s online platform.</p> <p>The salient areas that were assessed as part of the BEE exercise are as follows:</p> <ul style="list-style-type: none">• Board governance and oversight• Board processes and infrastructure• Capabilities and performance of individual Directors• Fit and propriety of Directors• Objectivity of Independent Directors• Board Committees’ performance

As a culmination of the exercise, the BEE outlined the following areas of strengths:

- Leadership of the Chairman
- Board collegiality
- Relationship with stakeholders
- Rigour of boardroom deliberations

Based on the BEE Exercise, the Board, Board Committees and individual Directors performed within the range of market benchmarks. The Board was satisfied with the level of commitment given by the Directors during the year towards fulfilling their roles and responsibilities as Directors of MBSB.

Meanwhile, the areas of improvement revolved around the key areas of facilitating greater Board level synergy within the MBSB Group, strengthening the Board succession planning process and infusing new approaches in strategy related discussions.

As stated in the Board Charter, the Directors must not hold more than 5 directorships in listed companies, listed collective investment schemes and issuers of any other listed securities and all Directors comply with this.

In line with the EPF Corporate Governance Principles and Voting Guidelines, the GNRC also reviewed the number of directorships held by the directors in public-listed companies (PLCs) with a market capitalisation of over RM2 billion (large cap companies). None of the Directors of MBSB hold more than 3 directorships in large cap companies.

The Board also reviewed and was satisfied with the meeting attendance records of the Directors. A total of 14 Board meetings were duly convened in year 2025. All the Directors have complied with the minimum Board meeting attendance of not less than 75% under BNM's CG Guidelines and as adopted by MBSB in the Board Charter. The Directors attendance in the Board Committees meetings during the financial year 2025 was commendable as well.

A fit and proper assessment for all Directors was conducted in 2025 and the GNRC and the Board are satisfied that all Directors fulfilled all requirements under the Group Fit and Proper Requirements Policy.

The Board has also conducted an annual assessment on Independent Directors in 2025 and are satisfied that all Independent Directors are independent of management and free of any interest, position, association, or other relationships that might materially influence the Independent Directors' capacity to provide independent judgment and act in the best interests of the Group and its stakeholders.

	<p>The Board has established a Group Directors Orientation and Training Guidelines to encourage the Board members to attend continuous training to enable the directors to discharge their duties effectively.</p> <p>The Board through GNRC has also evaluated and identified the training requirement for year 2025 based on the feedback received in the Board Effectiveness Evaluation. In-house training programmes focusing on the following themes were conducted in 2025:-</p> <ol style="list-style-type: none"> 1. Strategy 2. ESG/ Sustainability/ Climate responsibilities 3. Cybersecurity 4. Corporate Governance 5. Anti-Corruption and Anti-Money Laundering 6. Digital and Artificial Intelligence 7. Key Shariah and operational issues for Islamic Institutions <p>The Directors also attended various programmes, conferences, seminars, dialogues focusing on Business Continuity Management, Compliance and Leadership.</p> <p>The Company Secretaries are also required to ensure that the Directors of MBSB attend mandatory certification programs within the stipulated timeline; such as the Mandatory Accreditation Programme (“MAP”) and Financial Institutions Directors Education Programme (“FIDE”). The Company Secretaries also arrange the Directors to attend Islamic Finance for Board of Directors Training Programme (“IF4BOD”) organised by International Shari’ah Research Academy (“ISRA”), if necessary.</p> <p>The newly appointed directors of MBSB i.e. Encik Szaliza and Puan Maheswari had attended both Mandatory Accreditation Programme (“MAP”) Part I and Part II: Leading for Impact (LIP) as required by Bursa Malaysia Securities Berhad.</p> <p>Datuk Nora Manaf had attended the MAP Part I in September 2025 and will attend MAP Part II in 2026.</p> <p>All other directors have attended both MAP Part 1 and Part II.</p> <p>The list of programmes, conferences, seminars, or dialogues attended by each Director of MBSB in 2025 are listed in Section B of this CG report.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Group Remuneration Framework for Non-Executive Directors, which is tailored to support the strategies and long-term vision of the Group as well as provide adequate motivational incentive for Directors to pursue long-term growth and success of the Group. The GNRC is responsible to review the Directors' remuneration on an annual basis prior to making its recommendations to the Board for approval.</p> <p>The GNRC is responsible to ensure that the Director's remuneration is competitive and aligns with the industry benchmark. The level of remuneration for the Directors of the Group shall be determined and recommended by the GNRC to the Board after giving due consideration of all relevant factors including the Directors' fiduciary duties, Directors' responsibilities, time commitments expected of the Directors, Company's performance, market conditions as well as the compensation level for comparable positions among other similar Malaysian public listed companies and similar sized financial institutions.</p> <p>With the Companies Act, 2016, BNM guidelines and regulations, MCCG and MMLR in place, the duties and responsibilities of Board have become more onerous. As a result, the expectations of the Board and Board Committees have increased. The Board Committees of MBSB are also carrying out the oversight responsibilities, particularly in ensuring that the Group complies with BNM guidelines and regulations.</p> <p>The GNRC may obtain advice from independent professional or other advice on the remuneration packages for the Board members or employees in a similar industry as provided in the TOR.</p>

	<p>In 2025, the GNRC had recommended and the Board had approved the appointment of Deloitte Business Advisory Sdn Bhd (“Deloitte”) to review the board remuneration structure to ensure that the board remuneration structure of the Group commensurate with the Directors’ responsibilities and aligned with the industry practices. The last board remuneration review was conducted in 2019 by KPMG.</p> <p>The GNRC and the Board had considered the recommendation from Deloitte and had recommended an increase in the fees payable to the Directors. The GNRC and the Board also recommended a proposed adjustments on meeting allowances for Chairman of Board and Chairmen of Board Committee.</p> <p>The resolutions on revised Directors' fee structure and benefits payable to Directors were tabled at the 55th AGM on 26 June 2025 in two (2) separate resolutions. Both resolutions were duly passed and consequently, the Group Remuneration Framework for Non-Executive Directors was revised in June 2025.</p> <p>The Group Remuneration Framework for Non-Executive Directors is available on MBSB’s website at https://www.mbsb.com/misc/Remuneration_Framework_for_NED.pdf</p> <p>As for the Management, the remuneration packages of the GCEO, the C-Suites and the Company Secretary of the Group will be reviewed by the GNRC, and the same will be recommended to the Board for decision. The remuneration of the GCEO, the C-Suites and the Company Secretary are based on their achievement of strategic initiatives established and approved by the Board. The remuneration is also determined based on job size and benchmarked against the industry.</p> <p>MBSB Group has established a Remuneration Framework which applies to MBSB Group’s employees including senior management. Please refer to Section B of this CG Report for the details of the Remuneration Framework.</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 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 TOR of the GNRC outlines the roles and responsibilities in relation to the nominating and remuneration matters and is available on MBSB's website at https://www.mbsb.com/TOR_GNRC.pdf.</p> <p>The TOR of GNRC was last reviewed in August 2024 following the Board decision to establish a single GNRC to reside in MBSB to serve all the MBSB Group entities. The main purpose for a single GNRC is to streamline all matters concerning the nomination and remuneration for the Group.</p> <p>The TOR of GNRC has been revised to incorporate clear definition of the GNRC's roles and decision-making boundary to preserve the autonomy of Board of the individual subsidiaries, particularly that of MBSB Bank and MBSB Investment Bank.</p> <p>The key roles of GNRC are to assist the Board of MBSB and Board of respective subsidiary companies on the following:-</p> <ol style="list-style-type: none">i. To provide a formal, transparent and consistent procedure for the appointment of Directors, Board Committees, the Group Chief Executive Officer ("GCEO")/Chief Executive Officer ("CEO"), C-Suite with Group function/C-Suite at the respective subsidiary companies (collectively known as "C-Suites") and Company Secretary of the MBSB Group ("Company Secretary") .ii. To assess the effectiveness of individual Directors, the Board as a whole, Board Committees and the performance of the GCEO/CEO, C-Suites and Company Secretary.iii. To provide oversight over the design and operation of the remuneration system of the MBSB Group.

- iv. To provide the oversight over the key areas of nomination and remuneration matters of the MBSB Group.

The GNRC assessed the Directors' fee structure and the benefits payable to the Directors of MBSB for the period from the date of 55th AGM in 2025 until the next AGM of the Company in 2026 before making recommendations to the Board. Following the recommendations from Deloitte, the GNRC and the Board had recommended an increase of the fees payable to the Directors and increase in meeting allowance for Chairman of Board and Chairmen of Board Committee.

The Board was of the view that it is fair and equitable that the Directors fees be revised upon considering the following:-

- i. The rising expectations in terms of the time commitment by Directors who are expected to play a more constructive and forward looking role
- ii. The increased Directors responsibilities and in recognition of the critical role of the Chairman and Board of MBSB in providing oversight and strategic insights in the strategic decision making process.
- iii. To standardise Board Committee Fees across all Board Committees to ensure equitable recognition of the Directors' contributions.
- iv. The proposed increase in Directors' fees was made upon benchmarking against peer companies.

The GNRC and the Board also recommended a proposed adjustments on the meeting allowances for Chairman of Board and Chairmen of Board Committee. The Chairman of Board and Chairmen of Board Committee will receive an additional meeting allowance of RM500 per meeting compared to ordinary members. This proposed adjustment recognises the greater responsibilities and leadership roles undertaken by the Chairmen in guiding the Board and its Committees effectively and reflects the additional time, preparation, and accountability required of these leadership positions.

The resolutions on Directors' fee structure and benefits payable to Directors were tabled at the 55th AGM on 26 June 2025 in two (2) separate resolutions as follows:

- Ordinary Resolution 4 - on the payment of Directors' fees payable to Directors for the period from the 55th AGM until the next AGM in 2026; and
- Ordinary Resolution 5 – on the payment of benefits (excluding Director' fees) payable to Directors from the 55th AGM until the next AGM in 2026.

Both resolutions were duly passed.

GCEO and Senior Management

	<p>The GCEO’s remuneration package is structured to link to corporate and individual performance, which comprises fixed and variable components, determined based on the Key Performance Indicators, as approved by the Board. The 2024 Performance rewards for GCEO and Group C-Suites were reviewed by the GNRC and were duly approved by the Board in 2025.</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

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>In line with best corporate governance practice, the disclosure of the Directors' remuneration on a named basis has been made in the Annual Audited Financial Statements over the years.</p> <p>The remuneration of the directors comprises of fixed remuneration only.</p> <p>The detailed disclosure of remuneration breakdown for all Directors is set out in Note 35 of the Audited Financial Statements for the financial year ended 31 December 2025.</p> <p>The remuneration received by each of the directors of MBSB in 2025 is set out in the table below.</p> <p><i>Note:</i></p> <ol style="list-style-type: none"><i>* 50% of the directors' fees for Encik Sazaliza bin Zainuddin is paid to the organisation to which the Director represents.</i><i>Encik Sazaliza bin Zainuddin does not hold any executive position in MBSB and does not have any management responsibilities in MBSB. His designation as Non-Independent Executive Director of MBSB is pursuant to the definition of "Executive Director" in BNM's Guidelines on Corporate Governance, which defines "Executive Director" as a Director of a financial institution who has management responsibilities in the financial institution or any of its affiliates. EPF is an affiliate of MBSB, and Encik Sazaliza bin Zainuddin has management responsibilities in EPF.</i>

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' Wan Kamaruzaman bin Wan Ahmad	Non-Executive Non-Independent Director	227	49	Input info here	Input info here	Input info here	Input info here	276	523	114	Input info here	Input info here	31	Input info here	668
2	Puan Lynette Yeow Su-Yin	Independent Director	182	121	Input info here	Input info here	Input info here	Input info here	303	269	163	Input info here	Input info here	Input info here	Input info here	432
3	Encik Sazaliza bin Zainuddin*	Executive Director	133	45	Input info here	Input info here	Input info here	Input info here	178	133	45	Input info here	Input info here	Input info here	Input info here	178
4	Encik Mohamad Abdul Halim Bin Ahmad	Independent Director	191	124	Input info here	Input info here	Input info here	Input info here	315	191	124	Input info here	Input info here	Input info here	Input info here	315
5	Datuk (Dr.) Yasmin binti Mahmood	Non-Executive Non-Independent Director	164	106	Input info here	Input info here	Input info here	Input info here	270	277	141	Input info here	Input info here	Input info here	Input info here	418
6	Datuk (Dr.) Normala@Noraizah binti A.Manaf	Independent Director	95	49	Input info here	Input info here	Input info here	Input info here	144	95	49	Input info here	Input info here	Input info here	Input info here	144
7	Encik Ho Kwong Hoong	Independent Director	171	107	Input info here	Input info here	Input info here	Input info here	278	337	187	Input info here	Input info here	Input info here	Input info here	524
8	Puan Maheswari A/P G Kanniah	Independent Director	83	40	Input info here	Input info here	Input info here	Input info here	123	83	40	Input info here	Input info here	Input info here	Input info here	123
9	Dr. Loh Leong Hua	Independent Director	83	50	Input info here	Input info here	Input info here	Input info here	133	83	50	Input info here	Input info here	Input info here	Input info here	133
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.

Application	:	Departure												
Explanation on application of the practice	:													
Explanation for departure	:	<p>The Board is of the opinion that the remuneration of employees (including senior management) is strictly confidential, and disclosure of remuneration would encourage internal comparison and affect the employees' morale. In addition, disclosure of senior management's remuneration may give rise to the possibility of poaching by other competitors, given the highly competitive conditions in the banking industry.</p> <p>As an alternative to the recommended practice, the Board has opted to disclose the aggregate remuneration for the senior management as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Total value of remuneration for FY2025</th> <th style="text-align: center;">RM</th> </tr> </thead> <tbody> <tr> <td>Fixed Remuneration</td> <td></td> </tr> <tr> <td>- Cash-Based</td> <td style="text-align: right;">8,334,462 (Top 5 headcounts)</td> </tr> <tr> <td>Variable Remuneration</td> <td></td> </tr> <tr> <td>- Cash-Based</td> <td style="text-align: right;">1,871,400 (Top 5 headcounts)</td> </tr> <tr> <td colspan="2">Definition: Senior management defined as members of Group Management Committee ("GMC").</td> </tr> </tbody> </table>	Total value of remuneration for FY2025	RM	Fixed Remuneration		- Cash-Based	8,334,462 (Top 5 headcounts)	Variable Remuneration		- Cash-Based	1,871,400 (Top 5 headcounts)	Definition: Senior management defined as members of Group Management Committee ("GMC").	
Total value of remuneration for FY2025	RM													
Fixed Remuneration														
- Cash-Based	8,334,462 (Top 5 headcounts)													
Variable Remuneration														
- Cash-Based	1,871,400 (Top 5 headcounts)													
Definition: Senior management defined as members of Group Management Committee ("GMC").														
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>														
Measure	:	The Board will closely monitor the developments in the market with respect to such disclosure for future consideration.												
Timeframe	:	Within 3 years												

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	:	<p>The GBAC is chaired by Encik Mohamad Abdul Halim bin Ahmad, an Associate Member of the Institute of Chartered Accountants England and Wales (“ICAEW”) and a member of the MIA. Encik Halim is not the Chairman of the Board of MBSB.</p> <p>A brief description of the background and experience of the GBAC chairman are disclosed in the “Profile of MBSB Board of Directors” section of the Integrated Annual Report 2025.</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 9.2

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>None of the GBAC members was a former key audit partner of external audit firm of the MBSB Group in the past three years.</p> <p>The requirement to observe a cooling-off period of three years for the appointment of GBAC members is stated in the Terms of Reference of GBAC.</p> <p>The Terms of Reference of GBAC is available at https://www.mbsb.com/TOR_GBAC.pdf.</p> <p>The requirement to observe a cooling-off period of three years is also stated in the Group External Auditor Policy.</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 procedures to assess the suitability, objectivity and independence of the External Auditor have been established via the Group External Auditor Policy, in line with BNM's External Auditor Policy and MCCG and Group Engagement of External Auditor for Non Audit Services Policy. The Group External Auditor Policy and Group Engagement of External Auditor for Non Audit Services Policy were reviewed in 2025 to ensure consistency with the group policy governance and governance structure.</p> <p>The GBAC are responsible for reviewing and monitoring the independence and objectivity of the external auditor and assessing the performance of External Auditor annually. The Group External Auditor Policy provides fundamental principles of assessing the appointment of external auditor and outlines the qualifications of an external auditor to be appointed and sets out the requirements regarding the terms of an audit engagement, application procedures and reporting obligations to be observed by the MBSB Group.</p> <p>The Group External Auditor Policy also provides guidance to the MBSB Group on the processes and procedures for reviewing the independence of the External Auditors. The review encompasses an assessment of the qualifications and performance of the auditors, the quality and the auditor's communication with the GBAC, the auditor's independence, objectivity and professional scepticism.</p> <p>The external auditor appointed by the Group shall meet the qualification criteria set out in the Group External Auditor Policy, particularly on the audit engagement team involved in making key decisions on significant matters. The GBAC shall also ensure that the provision of non-audit services by the external auditor does not impair, either in fact or appearance, the auditor's objectivity, judgment or independence and in line with the Group Engagement of External Auditor for Non Audit Services Policy.</p> <p>In 2025, the GBAC and the Board have assessed the performance of the external auditor, Messrs. PricewaterhouseCoopers PLT ("PwC") for the financial year 2024. The GBAC and the Board were satisfied with the</p>

	<p>performance and the quality of the deliverables by PwC. The GBAC and the Board are also satisfied with their review that the non-audit services provided by PwC and its affiliates in the financial year 2024 did not in any way impair their objectivity and independence as external auditors of the Group. On the recommendation by GBAC, the Board has approved the submission of the application to re-appoint PwC to the regulator as External Auditors of MBSB and its subsidiaries for the financial year 2025.</p> <p>The regulator had approved the said application for the reappointment of PwC as External Auditors of MBSB and its subsidiaries.</p> <p>A resolution to re-appoint PwC as External Auditors of MBSB was tabled at the 55th AGM on 26 June 2025. The resolution was duly passed.</p> <p>The roles of the GBAC in relation to the internal and external auditor are described in the “Audit Committee’s Report” section of the Integrated Annual Report 2025.</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	:	Adopted										
Explanation on adoption of the practice	:	<p>The Group Board Audit Committee ("GBAC") comprises solely of Independent Directors as at 31 December 2025</p> <p><u>Composition of the GBAC as at 31 December 2025 as follows: -</u></p> <table border="1"><thead><tr><th>COMMITTEE MEMBER</th><th>DESIGNATION</th></tr></thead><tbody><tr><td>Encik Mohamad Abdul Halim bin Ahmad</td><td>Chairman, Independent Non-Executive Director</td></tr><tr><td>Puan Lynette Yeow Su-Yin</td><td>Member, Senior Independent Non-Executive Director</td></tr><tr><td>Datuk Nora Manaf (Appointed on 15 July 2025)</td><td>Member, Independent Non-Executive Director</td></tr><tr><td>Puan Maheswari A/P G. Kanniah (Appointed on 1 August 2025)</td><td>Member, Independent Non-Executive Director</td></tr></tbody></table> <p>Note:</p> <ol style="list-style-type: none">1. Dr. Loh Leong Hua has retired as Independent Non-Executive Director of MBSB on 26 June 2025.	COMMITTEE MEMBER	DESIGNATION	Encik Mohamad Abdul Halim bin Ahmad	Chairman, Independent Non-Executive Director	Puan Lynette Yeow Su-Yin	Member, Senior Independent Non-Executive Director	Datuk Nora Manaf (Appointed on 15 July 2025)	Member, Independent Non-Executive Director	Puan Maheswari A/P G. Kanniah (Appointed on 1 August 2025)	Member, Independent Non-Executive Director
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Puan Maheswari A/P G. Kanniah (Appointed on 1 August 2025)	Member, Independent Non-Executive Director											

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>All the GBAC members are financially literate and possess adequate knowledge and experience to understand and deliberate matters under the GBAC's purview, including the financial reporting process.</p> <p>Further information on the background and experience of the GBAC are disclosed in the "Profile of MBSB Board of Directors" section of the Integrated Annual Report 2025.</p> <p>The GBAC members have attended various conferences and training programmes during 2025 to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. The list of programmes, conferences, seminars or dialogues attended by each GBAC member is disclosed in Section B of this CG Report.</p> <p>Based on the BEE exercise conducted by Deloitte, the Board is satisfied with the overall effectiveness and performance of the GBAC and agrees that GBAC has provided satisfactory support and value to the Board.</p> <p>The GBAC members have carried out their duties in accordance with the TOR which is available on the website at https://www.mbsb.com/TOR_GBAC.pdf.</p> <p>A summary of the GBAC's work in discharging their functions and duties for the financial year ended 31 December 2025 is described in the "Audit Committee's Report" section of the Integrated Annual Report 2025.</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 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board affirms its responsibility for establishing and maintaining an effective risk management and internal control framework within the Group. The Board oversees the adequacy and effectiveness of these systems to ensure that material risks are appropriately identified, assessed, managed and monitored in support of the achievement of the Group's strategic and business objectives.</p> <p>A key responsibility of the Board is to approve the Group's risk appetite, which defines the types and levels of risk the Group is willing to accept in pursuing its strategic objectives. In overseeing strategy and performance, the Board considers whether risk-taking activities remain aligned with the approved risk appetite.</p> <p>The Board recognises the inherent limitations of any system of risk management and internal control and acknowledges that such systems are designed to provide reasonable, but not absolute, assurance against material misstatement, fraud or loss.</p> <p>To support the discharge of its oversight responsibilities, the Board has established the GBRCC and the GBAC, which provide focused oversight of risk management, compliance, audit and internal control matters in accordance with their respective terms of reference. These Committees report regularly to the Board on key deliberations and matters arising under delegated authority.</p> <p>Corresponding governance arrangements are established at the operating entity level to ensure consistency and alignment across the Group.</p> <p>The risk governance framework includes appropriate delegation of authority to Management Committees and incorporates risk controls for material activities. Accountability for risk management is structured in accordance with the three lines of defence model, which clearly defines the roles and responsibilities of the business units, oversight functions and independent assurance functions.</p> <p>Risk management practices are integrated into key strategic, capital and financial planning processes, including the introduction of new products</p>

	and business activities, as well as day-to-day operations. This ensures that risks are considered and addressed in a timely and structured manner.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The key features of the Group's risk management and internal control framework, together with the Board's statement on its adequacy and effectiveness based on Management assurance, are set out in the Statement on Risk Management and Internal Control section of the Integrated Annual Report 2025.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted								
Explanation on adoption of the practice	:	<p>The Group Board Risk and Compliance Committee ("GBRCC") comprises solely of Independent Directors as at 31 December 2025.</p> <p><u>Composition of GBRCC as at 31 December 2025</u></p> <table border="1"><thead><tr><th>COMMITTEE MEMBER</th><th>DESIGNATION</th></tr></thead><tbody><tr><td>Puan Maheswari A/P G. Kanniah (Appointed on 1 August 2025)</td><td>Chairman, Independent Non-Executive Director</td></tr><tr><td>Encik Ho Kwong Hoong (Redesignated as GBRCC Chairman on 26 June 2025) (Redesignated as GBRCC Member on 1 August 2025)</td><td>Member, Independent Non-Executive Director</td></tr><tr><td>Encik Mohamad Abdul Halim Ahmad</td><td>Member, Independent Non-Executive Director</td></tr></tbody></table> <p>Note:</p> <ol style="list-style-type: none">1. Dr. Loh Leong Hua has retired as Independent Non-Executive Director of MBSB on 26 June 2025.2. Puan Lynette Yeow Su-Yin was appointed as Member of GBRCC on 26 June 2025. She subsequently stepped down as Member of GBRCC on 1 August 2025.	COMMITTEE MEMBER	DESIGNATION	Puan Maheswari A/P G. Kanniah (Appointed on 1 August 2025)	Chairman, Independent Non-Executive Director	Encik Ho Kwong Hoong (Redesignated as GBRCC Chairman on 26 June 2025) (Redesignated as GBRCC Member on 1 August 2025)	Member, Independent Non-Executive Director	Encik Mohamad Abdul Halim Ahmad	Member, Independent Non-Executive Director
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Encik Mohamad Abdul Halim Ahmad	Member, Independent Non-Executive Director									

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 function is performed in-house by the Group Internal Audit Division personnel (“GIAD”) at the relevant operating entities within MBSB and its subsidiaries (“MBSB Group”). The Group Chief Internal Auditor (“GCIA”) reports functionally to the Group Board Audit Committee (“GBAC”) and administratively to the Group Chief Executive Officer (“GCEO”).</p> <p>GIAD review the effectiveness of the system of internal controls, risk management, governance, whistleblowing and governance of the MBSB Group based on approved risk-based audit plan. The audit scope among others, covers the financial, credit, branches, operational, shariah requirements, regulatory, technology and compliance.</p> <p>GIAD is independent of activities and processes to ensure that they are able to perform its duties objectively.</p> <p>GIAD is guided by the Group Internal Audit Charter, Group Internal Audit Manual and the respective entities Board Committees’ Terms of Reference. The Group Internal Audit Charter gives the internal auditors unrestricted access to review all activities, records, assets, personnel and premises that are necessary to the performance of an audit of the Group. The Group Internal Audit Charter and Group Internal Audit Manual are required to be reviewed once every two years or as and when necessary. The last review was conducted in December 2024 for the Group Internal Audit Charter and in July 2025 for the Group Internal Audit Manual to maintain its relevancy and applicability, in line with the Global Internal Audit Standards issued in 2024.</p> <p>GIAD activities were carried out based on the Group Internal Audit Plan 2025 as approved by the GBAC. The audit reports were reviewed and approved by the respective MBSB subsidiaries’ Board Audit Committee (“BAC”), Board Audit and Risk Management Committee (“BARMC”) and notified to GBAC, subsequently. The respective management members of MBSB Group are responsible for ensuring that corrective actions were taken on the reported weaknesses within a set timeframe. The GIAD will carry out follow-up audits, which will be reported to the respective BAC/BARMC of MBSB’s subsidiaries and GBAC on quarterly basis.</p>

	<p>The appointment and dismissal of the Group Chief Internal Auditor must be recommended by the GCEO, BAC, GBAC and GNRC. Remuneration, performance and scorecard of the Group Chief Internal Auditor must be recommended by the GCEO, GBAC and GNRC.</p> <p>Further information on the GIAD and the activities conducted during the year is disclosed in the “Report of the Audit Committee” section of the Integrated Annual Report 2025.</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

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

Practice 11.2

The board should disclose–

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

Application	:	Applied																												
Explanation on application of the practice	:	<p>The GIAD is independent of the business and undertakes activities as disclosed in the “Report of the Audit Committee” section of the Integrated Annual Report 2025.</p> <p>Total GIAD personnel stood at 63 as of 31 December 2025.</p> <p>The GIAD personnel constantly keep themselves abreast with developments in the relevant industry and regulations through attendance at conferences and trainings. The certifications obtained by GIAD personnel is summarised below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Certification</th> <th style="text-align: center;">Certified / Qualified</th> </tr> </thead> <tbody> <tr> <td>Chartered Banker (CB)</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Certified Internal Auditor (CIA)</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Certified Professional Shariah Auditor (CPSA)</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Certified Anti-Money Laundering & Counter Financing of Terrorism Compliance Officer (CAMCO) / ICA</td> <td style="text-align: center;">7</td> </tr> <tr> <td>Masters In Islamic Master Practice (MIFP)</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Certified Bank Auditor (CBA)</td> <td style="text-align: center;">17</td> </tr> <tr> <td>Certified Credit Executive (CCE) / Certified Credit Professional (CCP) / Business Credit Professional (BCP)</td> <td style="text-align: center;">14</td> </tr> <tr> <td>Associate Qualification in Islamic Finance (AQIF)</td> <td style="text-align: center;">13</td> </tr> <tr> <td>Intermediate Qualification in Islamic Finance (IQIF)</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Certified Qualification in Islamic Financing (CQIF)</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Certified Information System Auditor (CISA)</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Certified Sustainability Reporting Specialist</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Certified Data Analytic</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	Certification	Certified / Qualified	Chartered Banker (CB)	3	Certified Internal Auditor (CIA)	2	Certified Professional Shariah Auditor (CPSA)	6	Certified Anti-Money Laundering & Counter Financing of Terrorism Compliance Officer (CAMCO) / ICA	7	Masters In Islamic Master Practice (MIFP)	4	Certified Bank Auditor (CBA)	17	Certified Credit Executive (CCE) / Certified Credit Professional (CCP) / Business Credit Professional (BCP)	14	Associate Qualification in Islamic Finance (AQIF)	13	Intermediate Qualification in Islamic Finance (IQIF)	1	Certified Qualification in Islamic Financing (CQIF)	1	Certified Information System Auditor (CISA)	5	Certified Sustainability Reporting Specialist	3	Certified Data Analytic	1
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Certified Integrity Officer	1
Certification in Regulatory Compliance	1
Certification in Internal Auditing for Financial Institution (CIAFIN)	4
Fundamental Certification in Islamic Banking (FCIB)	4
Fundamental Certificate in Islamic Banking & Takaful (FCIBT)	1
Fundamental Certification in Shariah Audit (FCSA)	3
Qualified Risk Auditor (QRA)	1
COBIT 4 / ISO 27001 Lead Auditor / Scrum Fundamental & ITSM	3
Foundation of Shariah in Islamic Finance	4
Islamic Professional Certified Executive (iPCC)	3

Note: There are several staff possessing more than one of the above qualifications.

GIAD personnel do not have any authority or responsibility for the activities they audit. They are required to report to the GCIA on any situation in which a conflict of interest or bias is present or may reasonably be inferred. Assignments are allocated so that potential and actual conflicts and bias are avoided.

All GIAD personnel have confirmed via the annual declaration that they are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The GIAD is headed by the Group Chief Internal Auditor (“GCIA”), Aniza binti Zakaria. She is a Chartered Banker, AICB, Certified Bank Auditor, AICB and Senior Associate Member of Chartered Institute of Islamic Finance Professionals. She has acquired over 20 years of industry experience from various banking institutions in Malaysia. A summary of her profile and background is disclosed in the Integrated Annual Report 2025.

The GIAD adopts the Global Internal Audit Standards (“GIAS”) and is guided by the Group Internal Audit Charter, Group Internal Audit Manual and the GBAC’s TOR. The Group Internal Audit Manual documents audit processes, methodology, roles, duties and responsibilities of internal auditors.

The GIAD has provided the GBAC reports highlighting the observations, recommendations and management action plans to improve the system of internal controls. On behalf of the Board, the GBAC regularly review and deliberate on internal control issues and governance practices identified in reports prepared by the internal auditors and the related actions taken by Senior Management. Key issues deliberated at the GBAC are presented to the Group Board via the Chairman’s Report.

	<p>GBAC will assess the effectiveness of GIAD in carrying out its responsibilities annually.</p> <p>A brief statement on the Internal Audit Function and its key activities for the year are disclosed in the “Report of the Audit Committee” section of the Integrated Annual Report 2025.</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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of communication and proper dissemination of information to its shareholders, investors, and other stakeholders, including the general public. The Directors ensure that the Group keeps the shareholders informed via announcements and timely release of quarterly financial reports, media releases, annual reports, and circulars.</p> <p><u>Financial Results</u></p> <p>The quarterly financial results are announced via Bursa LINK after the Board's approval. Analyst briefings are also conducted following the announcement of quarterly financial results. Additionally, the quarterly results are uploaded to the company's website to ensure broader accessibility. This is important in providing equal and fair access to information, enabling the investing public to make informed decisions.</p> <p><u>Discussions, Dialogues and Briefings</u></p> <p>MBSB is committed in maintaining an open communication with analysts, investors, and regulators through physical and online platforms to promote better understanding of the Group's financial performance, operations and other matters affecting shareholders' interests. Furthermore, communication with employees, customers and other communities were largely conveyed through website and social media.</p> <p>The GCEO, alongside the Group Chief Financial Officer, leads a comprehensive program of discussions, dialogues, and briefings targeted at fund managers, financial analysts, and the media. These interactions are scheduled as necessary, particularly following the release of the Group's quarterly financial results to Bursa Malaysia. This engagement aims to promote a better understanding of the Group's financial performance, operations, and other matters affecting shareholders' interests.</p> <p>Furthermore, throughout the year, MBSB has been proactively engaging in various Investor Relations activities to ensure that both institutional and retail investors are well-informed and aligned with the Group's objectives. This approach not only about enhances</p>

transparency and building trust but also making relevant and accessible information available to investors, thereby fostering an environment of clarity and openness.

These Investor Relations activities include:

- Meetings with analysts, including an introduction to the new management team.
- Invitations extended to retail investors for dedicated webinars, providing insights into the company's financial performance and strategic direction.
- MBSB Investor Day, an exclusive event offering investors in-depth discussions with senior management on business outlook, financial highlights, and growth strategies.
- Non-Deal Roadshows (NDR), engaging fund managers through meetings to provide corporate updates and strengthen investor relations.
- Investor Development Roadshows held across multiple locations to enhance investor engagement and expand market outreach.
- Invitation to present at a corporate event, showcasing MBSB's achievements, strategies, and market position to key stakeholders.

Engagement with stakeholders

The Group adopts a holistic approach to stakeholder engagement, recognising the importance of building trust and long-term relationships across all stakeholder groups.

During the year, the Group organised and participated in a wide range of initiatives spanning employee engagement, community outreach, investor engagement and industry participation. These included:

- Internal engagements such as Group townhalls and integration sessions
- Community-focused initiatives including festive outreach and social impact programmes
- Industry forums, financial literacy programmes and economic discussions
- Investor-facing events, corporate briefings and annual general meeting

Dedicated townhalls and communication sessions were conducted to align employees, capture synergies and support a seamless transition into a unified organisation.

Corporate Website

The Group leverages its corporate website and digital platforms as key channels for stakeholder communication. The website serves as a central repository for corporate information, including:

- Financial results and announcements
- Media releases and corporate updates
- Investor presentations and briefings

	<ul style="list-style-type: none"> Information on corporate initiatives and activities <p>This ensures accessibility, consistency and transparency in the Group’s communications with all stakeholders.</p> <p>MBSB’s website, which can be found at https://www.mbsb.com, provide updated information on the corporate and business aspect of the Group.</p> <p>All details of the corporate events carried out by the Group are also available on MBSB’s website as well as MBSB Bank and MIDF’s website, which can be found at https://www.mbsbbank.com, and https://www.midf.com.my respectively</p> <p>Corporate Disclosure Policy</p> <p>MBSB’s Corporate Disclosure Policy sets out the policies and procedures for the disclosure of all material information to be released to the public. Clear roles and responsibilities of the Directors, Management and employees are provided in the Corporate Disclosure Policy, and the designated spokesperson responsible for communicating with all audience of the material information/announcement to internal and external stakeholders had been identified.</p> <p>The Board, Management and employees of the Group are required to observe this Corporate Disclosure Policy. The Group is mindful and will ensure timely disclosure of material information in accordance with Bursa Malaysia’s MMLR and other applicable legislation.</p> <p>Integrated and Sustainability Report</p> <p>MBSB conducts a materiality assessment on an annual basis to assess and review the material matters to better respond to changing stakeholders’ concerns and to keep abreast with evolving market condition.</p> <p>The compilations of stakeholders’ engagements, together with the summary of concerns or interests, are disclosed in the Integrated Annual Report and Sustainability Report. MBSB embarked on the Integrated Reporting journey using the internationally recognised framework – the International Integrated Reporting Council’s Integrated Reporting (“IR”) Framework. MBSB aims to demonstrate its commitment to long-term value creation for stakeholders and improve its decision-making process by adopting the “integrated thinking” concept of the IR Framework.</p> <p>Stakeholders are welcome and encouraged to reach out to us via email at enquiry@mbsbbank.com for any inquiries.</p>
<p>Explanation for departure</p>	<p>:</p>

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.

Application	:	Applied
Explanation on application of the practice	:	<p>MBSB Group continues its commitment to integrated reporting as part of enhancing corporate transparency and communicating long-term value creation to stakeholders. The MBSB Integrated Annual Report 2025 marks the sixth year of MBSB adopting the International Integrated Reporting Council’s Integrated Reporting (“IR”) Framework. MBSB aims to demonstrate its commitment to long-term value creation for stakeholders and improve its decision-making process by adopting the “integrated thinking” concept of the IR Framework.</p> <p>The report highlights the Group’s strategic focus, performance, governance, and value creation across financial and non-financial capitals.</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

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 AGM for year 2025 was held on 26 June 2025. The Notice of the AGM was dispatched to the shareholders on 28 May 2025. The requirement for at least 28 days' notice is fulfilled in adherence to the MCCG and the regulatory requirements.</p> <p>In addition, MBSB also distributes an Administrative Guide together with the Notice of the AGM, which provides information to the shareholders regarding the details of the AGM, their right to appoint a proxy and guidance to attend the hybrid AGM via remote participation and voting.</p> <p>The notes in the Notice of the AGM provide detailed explanations of each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AGM of MBSB is the primary forum for dialogue and interaction with its shareholders.</p> <p>MBSB conducted a hybrid general meeting for its 55th AGM on 26 June 2025 at Grand Ballroom, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur and by way of electronic means using the Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its TIIH Online website.</p> <p>All directors of MBSB including the Chair of the Board Committees and the GCEO attended the 55th AGM.</p> <p>The Board allows shareholders to submit questions using the RPV facilities provided by Tricor via its TIIH Online website prior to the AGM to allow shareholders sufficient time to pose questions to the Board and the Management. The guide to submit question in advance is stated in the Administrative Guide which was sent together with the notice of meeting.</p> <p>There was no question directed to the Chair of the GBAC, GNRC and GBRC by the shareholders during the 55th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

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>MBSB conducted a hybrid meeting for its 55th AGM on 26 June 2025 at Grand Ballroom, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur and by way of electronic means using the and using the Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its TIIH Online website.</p> <p>The RPV facilities allow shareholders to submit any question in advance and attend the meeting remotely and pose questions to the Board and Management. The RPV facilities also allow shareholders to vote remotely and vote in absentia.</p> <p>MBSB distributes an Administrative Guide together with the notice of the general meeting, which provides information to the shareholders regarding the details of the meeting, their right to appoint a proxy and guidance to attend the hybrid meeting physically or via remote participation and voting. Dedicated personnel were assigned to answer any queries by the shareholders in relation to the RPV facilities and their contact information is stated in the Administrative Guide.</p> <p>The meeting online platform “TIIH Online” is hosted by Tricor Malaysia. Tricor Malaysia has implemented an IT policy and Information Security policy, endpoint controls and data classification for staff cyber hygiene practices. Stress test and penetration testing have been performed on TIIH Online to test its resiliency. To provide further assurance to the public, Tricor Malaysia was ISO27001 certified. In addition to this, TIIH Online is hosted on a secure cloud platform and the data centre is ISO27001 certified.</p> <p>A dry run of the hybrid meeting was conducted prior to the meeting day to test the bandwidth connection and to ensure that the RPV facilities run smoothly. The dry run also gives opportunities to the participants to familiarise themselves with the platform.</p>

	A total of 904 shareholders/ proxies attended the 55 th AGM using the RPV facilities and a total of 596 shareholders/ proxies attended the 55 th AGM physically.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board allows shareholders to submit the question using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website prior to the AGM to ensure that the shareholders have sufficient opportunity to pose any questions to the Board and the Management. The guide to submit question in advance is stated in the Administrative Guide which was sent together with the notice of meeting.</p> <p>During the 55th AGM, the GCEO, Encik Rafe Haneef, presented the Group's financial performance review for 2024, progress of FLIGHT26, sustainability commitment of the Group, major post-merger Integration initiatives and focus on 2025 to the shareholders before proceeding with the business of the meeting. The GCEO then presented the responses to questions submitted in advance of the AGM by the Minority Shareholder Watch Group ("MSWG") and Permodalan Nasional Berhad ("PNB"). He also responded to a total of 21 questions submitted by the shareholders in advance.</p> <p>The Chairman of the Meeting then invited the shareholders/proxies who attended the meeting physically to raise questions to the Board and the Management. The Chairman of the Meeting also invited the remote participants to submit live questions using the query box via RPV during the AGM to give opportunities for remote participants to enquire on MBSB's financial statements, proposed resolutions and other items to promote better understanding of the Group's financial performance, operations and other matters affecting shareholders' interests before proceeding with the voting of the resolutions.</p> <p>The Question and Answer session lasted approximately 90 minutes, during which the Management and the Board responded to a total of 59 live questions raised by the shareholders/ proxies present physically and virtually. In addition, the senior management, external auditors, and other advisors were available to provide answers and clarifications</p>

	<p>to shareholders. All questions submitted by the shareholders were made visible to all meeting participants.</p> <p>The Board appointed Coopers Professional Scrutineers Sdn Bhd (“CPS”) to act as an Independent Observer during the AGM to ensure that questions received before and during the AGM were addressed and answered during or after the meetings by the Board and the Management.</p> <p>CPS had reviewed all questions received before and during the AGM and confirmed that all questions had been addressed and answered by the Board and the Management.</p> <p>The questions and answers during the AGM are attached together with the minutes of meeting on MBSB’s website at https://www.mbsb.com/general_meeting.html.</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

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: In line with the 'Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers' issued by the Securities Commission Malaysia, the Board conducted a hybrid meeting for its 55 th AGM at Grand Ballroom, 1st Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur and using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website. The RPV facilities offer integrated AGM online platforms which provide end-to-end experience for shareholders to attend the general meeting (via live stream), pose questions and comments (via chat-boxes) and vote on resolutions (via instantaneous polling). Questions submitted by the shareholders were made visible to all meeting participants. During the 55 th AGM, the Management and the Board responded to questions submitted by the MSWG, PNB and a total of 21 questions submitted by the shareholders in advance of the AGM. The Question and Answer session lasted approximately 90 minutes, during which the Management and the Board responded to a total of 59 live questions raised by the shareholders/ proxies present physically and virtually. The RPV facilities also allow shareholders and members to log in and cast their votes electronically before the general meeting.
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 Minutes of the 55 th AGM held on 26 June 2025 was published on the MBSB's website on 15 July 2025. The minutes of AGM is available on MBSB's website at https://www.mbsb.com/general_meeting.html .
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.

BOARD AND BOARD COMPOSITION

1) MBSB BERHAD (MBSB)

1.1 Board of Directors of MBSB

The Board is responsible for overseeing the conduct of the MBSB Group business and the Management's implementation of the Group's strategic objectives as well as its conduct and performance. The Board of Directors' roles and responsibilities are set out in the Board Charter and Section A, Practice 1.1 of this Corporate Governance Report. The Board is supported by various Board Committees, and the roles and responsibilities of the respective Committees are clearly outlined in the TOR, which requires regular review and approval by the Board from time to time.

The composition of the Board of Directors of MBSB during the year 2025 and the records of attendance at Board Meeting held in the financial year ended 31 December 2025 are as follows:

#	Member	Attendance	Percentage
1	Dato' Wan Kamaruzaman bin Wan Ahmad Chairman/ Non-Independent Non-Executive Director	14/14	100%
2	Puan Lynette Yeow Su-Yin Senior Independent Non-Executive Director	14/14	100%
3	Datuk (Dr.) Yasmin binti Mahmood Non-Independent Non-Executive Director	13/14	93%
4	Encik Mohamad Abdul Halim bin Ahmad Independent Non-Executive Director	14/14	100%
5	Encik Ho Kwong Hoong Independent Non-Executive Director	14/14	100%
6	Encik Szaliza bin Zainuddin Non-Independent Executive Director* (Appointed on 1 January 2025)	14/14	100%
7	Datuk Nora Manaf Independent Non-Executive Director (Appointed on 15 July 2025)	6/6	100%
8	Puan Maheswari A/P G. Kanniah Independent Non-Executive Director (Appointed on 1 August 2025)	5/5	100%
9	Dr. Loh Leong Hua Independent Non-Executive Director (Retired on 26 June 2025)	7/7	100%

Note:

Datuk (Dr.) Yasmin binti Mahmood was unable to attend one (1) Board meeting in 2025 due to reasonable excuse as acknowledged and approved by the Board.

*** Note:**

Encik Szaliza bin Zainuddin does not hold any executive position in MBSB and does not have any management responsibilities in MBSB. His designation as Non-Independent Executive Director of MBSB is pursuant to the definition of "Executive Director" in BNM's Guidelines on Corporate Governance, which defines "Executive Director" as a director of a financial institution who has management responsibilities in the financial institution or any of its affiliates. EPF is an affiliate of MBSB, and Encik Szaliza bin Zainuddin has management responsibilities in EPF.

The key personal details and background of the Directors of MBSB including work experience, shareholding in MBSB and external professional commitments are disclosed in the Integrated Annual Report 2025 and are available on MBSB's website at www.mbsb.com/ar.html. The profile of Puan Lynette Yeow Su-Yin is disclosed in Section 2.1.

1.2 Board Committees of MBSB

In discharging its roles and responsibilities, the Board has established specialised Board Committees to oversee critical or major functional areas and to address matters which require detailed review or in-depth consideration. Although the Board has delegated certain duties to the Board Committees, it remains responsible for the decisions of the committees. The Board has delegated specific responsibilities to the following Committees:

1. Group Board Audit Committee;
2. Group Board Risk and Compliance Committee; and
3. Group Nomination and Remuneration Committee.

(i) Group Board Audit Committee (GBAC)

The principal function of the GBAC is to assist the Board in fulfilling its fiduciary responsibilities, particularly in the areas of accounting and management controls and financial reporting, including:

- to ensure financial statements comply with applicable financial reporting standards;
- to reinforce the independence and objectivity of the Internal Audit Division;
- to provide the focal point for communication between external auditors, internal auditors, risk managers, Directors and the Management on matters in connection with accounting, reporting, risks and controls and providing a forum for discussion independent of the Management; and
- to undertake additional duties as may be deemed appropriate and necessary to assist the Board.

The composition of the GBAC and the records of attendance of GBAC members during the year 2025 are as follows:

#	Member	Attendance	Percentage
1	Encik Mohamad Abdul Halim bin Ahmad (Chairman) (Independent Non-Executive Director)	14/14	100%
2	Puan Lynette Yeow-Su-Yin (Member) (Senior Independent Non-Executive Director)	14/14	100%
3	Datuk Nora Manaf (Member) Independent Non-Executive Director (Appointed as Member on 15 July 2025)	6/6	100%
4	Puan Maheswari A/P G. Kanniah (Member)	5/5	100%

	Independent Non-Executive Director (Appointed as Member on 1 August 2025)		
5	Dr. Loh Leong Hua (Independent Non-Executive Director) (Retired on 26 June 2025)	8/8	100%

(ii) Group Board Risk and Compliance Committee (GBRCC)

The primary objectives of GBRCC are to assist the Board with the risk oversight within the Group which includes reviewing the risk management policies, risk exposure and limits as well as ensuring that all risks are well managed within the Group's risk appetite by providing adequate infrastructure and resources in place to support the risk management activities.

The composition of the GBRCC and the records of attendance of GBRCC members during the year 2025 are as follows:

#	Member	Attendance	Percentage
1	Puan Maheswari A/P G. Kanniah (Chairman) (Independent Non-Executive Director) (Appointed as Chairman on 1 August 2025)	5/5	100%
2	Encik Mohamad Abdul Halim bin Ahmad (Member) (Independent Non-Executive Director)	11/11	100%
3	Encik Ho Kwong Hoong (Member) (Independent Non-Executive Director) (Redesignated as Chairman on 26 June 2025) (Redesignated as Member on 1 August 2025)	11/11	100%
4	Puan Lynette Yeow-Su-Yin (Senior Independent Non-Executive Director) (Appointed as Member on 26 June 2025) (Resigned on 1 August 2025)	1/1	100%
5	Dr. Loh Leong Hua (Independent Non-Executive Director) (Retired on 26 June 2025)	5/5	100%

(iii) Group Nominating and Remuneration Committee (GNRC)

The primary responsibilities of the GNRC are to assist the Board and the Board of Subsidiary Companies in maintaining a formal and transparent procedure for the appointment of Directors, Board Committee members, Board assessment, policy setting on Directors' remuneration, and determining appropriate remuneration packages for all Directors.

The GNRC is also responsible for reviewing, appointing, removing and determining the remuneration package for the GCEO, CEO of the Operating Subsidiaries, C-Suite with Group function/C-Suite at the respective subsidiary companies (collectively known as "C-Suites") and Company Secretaries. Also, the GNRC reviews the remuneration framework for the Group.

The composition of the GNRC and the records of attendance of GNRC members during the year 2025 are as follows:

#	Member	Attendance	Percentage
1	Puan Lynette Yeow Su-Yin (Chairman) Senior Independent Non-Executive Director	21/21	100%
2	Encik Ho Kwong Hoong (Member) Independent Non-Executive Director	21/21	100%
3	Datuk (Dr.) Yasmin binti Mahmood (Member) Non-Independent Non-Executive Director	21/21	100%
4	Datuk Nora Manaf Independent Non-Executive Director (Appointed as Member on 15 July 2025)	8/8	100%
5	Encik Mohamad Abdul Halim bin Ahmad Independent Non-Executive Director (Resigned on 15 July 2025)	13/13	100%

1.3 Board Training attended by Directors of MBSB

The list of programmes, conferences, seminars or dialogues attended by the Board of MBSB in 2025 are as follows:

Dato' Wan Kamaruzaman bin Wan Ahmad	
1.	E-Invoice Session with EY [3 June 2025]
2.	Cybersecurity Awareness Day [11 June 2025]
3.	Corruption Awareness session for Board of Directors [2 July 2025]
4.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]
5.	MBSB Workshop - Sustainability- An Evolution Driving Business Growth [15 & 16 October 2025]

Encik Szaliza bin Zainuddin	
1.	E-Invoice Session with EY [3 June 2025]
2.	Cybersecurity Awareness Day [11 June 2025]
3.	Corruption Awareness session for Board of Directors [2 July 2025]
4.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]

Puan Lynette Yeow Su-Yin	
1.	ESG National Sustainability Reporting Framework [13 May 2025]
2.	CPR (Cardiopulmonary Resuscitation) / AED (Automated External Defibrillator) [20 May 2025]
3.	E-invoice session with Messrs Ernst & Young [3 June 2025]
4.	Launch of FIDE FORUM's Board Culture and Leadership Report 2025 [5 June 2025]

5.	Cybersecurity Awareness Day [11 June 2025]
6.	Integrity Training /TNB Power Generation Sdn Bhd [12 June 2025]
7.	Corruption Awareness Session [2 July 2025]
8.	Navigating Digital Disruption: How can Boards in Financial Institutions enhance Strategic Digital Governance [17 July 2025]
9.	IMD Malaysia Masterclass on Competitiveness & Strategy [18 July 2025]
10.	Strategic Shift in Financial Institutions - Focus on SMEs and Islamic Banking [5 August 2025]
11.	MBSB Group Directors' Training [2 September 2025] 1. Toyyib Framework for Sustainability 2. IFRS Sustainability Standards 3. Understanding the Circular Economy
12.	Khazanah Megatrends Forum 2025 – Debugging Uncertainty [6 & 7 Oct 2025]
13.	Masterclass on Generative AI - "Disruption & Value Creation " by Professor Phil Parker - Training by INSEAD - [3 November 2025]
14.	ABAC Training [25 November 2025]

Encik Mohamad Abdul Halim bin Ahmad

1.	MIA Digital Month 2025 [30 April 2025]
2.	ESG Investing – The Way to Go (Organized by MIA) [8 May 2025]
3.	Financial Reporting on Impact of Climate Change Effects (Organized by MIA) [9 May 2025]
4.	CPR/AED Training for Board [20 May 2025]
5.	E-Invoice Session with EY [3 June 2025]
6.	Corruption Awareness session for Board of Directors [2 July 2025]
7.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]
8.	MBSB Group Directors' Training [2 September 2025] 1. Toyyib Framework for Sustainability 2. IFRS Sustainability Standards 3. Understanding the Circular Economy
9.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
10.	Anti Bribery and Corruption Training Awareness [6 October 2025]
11.	Masterclass on Generative AI - "Disruption & Value Creation " by Professor Phil Parker - Training by INSEAD [3 November 2025]

Datuk (Dr.) Yasmin binti Mahmood

1.	CPR/AED Training for Board [20 May 2025]
2.	E-Invoice Session with EY [3 June 2025]
3.	Cybersecurity Awareness Day [11 June 2025]

4.	Corruption Awareness session for Board of Directors [2 July 2025]
5.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]
6.	MBSB Group Directors' Training [2 September 2025] 1. Toyyib Framework for Sustainability 2. IFRS Sustainability Standards 3. Understanding the Circular Economy
7.	MBSB Workshop - Sustainability- An Evolution Driving Business Growth [15 & 16 October 2025]
8.	Masterclass on Generative AI - "Disruption & Value Creation " by Professor Phil Parker - Training by INSEAD [3 November 2025]

Datuk Nora Manaf

1.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]
2.	MBSB Group Directors' Training [2 September 2025] 1. Toyyib Framework for Sustainability 2. IFRS Sustainability Standards 3. Understanding the Circular Economy
3.	Mandatory Accreditation Programme (MAP) Part I [10 & 11 September 2025]
4.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
5.	Anti Bribery and Corruption Training Awareness [6 October 2025]
6.	MBSB Workshop - Sustainability- An Evolution Driving Business Growth [15 & 16 October 2025]
7.	Masterclass on Generative AI - "Disruption & Value Creation " by Professor Phil Parker - Training by INSEAD [3 November 2025]

Encik Ho Kwong Hoong

1.	CPR/AED Training for Board [20 May 2025]
2.	E-Invoice Session with EY [3 June 2025]
3.	Cybersecurity Awareness Day [11 June 2025]
4.	Sasana Symposium 2025 [17 & 18 June 2025]
5.	Corruption Awareness session for Board of Directors [2 July 2025]
6.	Cyber Risk & Cybersecurity Briefing for Board Members [17 July 2025]
7.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]
8.	Strategic Shift in Financial Institutions – Focus on SMEs and Islamic Banking [5 August 2025]
9.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
10.	Anti Bribery and Corruption Training Awareness [6 October 2025]
11.	MBSB Workshop - Sustainability- An Evolution Driving Business Growth [15 & 16 October 2025]
12.	MBSB 2025 Risk Awareness Day ("riskXperience Day") [3 November 2025]

13.	Masterclass on Generative AI - "Disruption & Value Creation " by Professor Phil Parker - Training by INSEAD [3 November 2025]
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Puan Maheswari A/P G Kanniah

1.	Strategic Shift in Financial Institutions – Focus on SMEs and Islamic Banking [5 August 2025]
2.	Asia Pacific Fraud Conference [20-22 August 2025]
3.	MBSB Group Directors' Training [2 September 2025] 1. Toyyib Framework for Sustainability 2. IFRS Sustainability Standards 3. Understanding the Circular Economy
4.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
5.	Elevating Investment Banking Professionals [7 October 2025]
6.	Masterclass on Generative AI-Disruption & Value Creation [3 November 2025]
7.	Managing Complexity: Non-financial Risks in a Multi-party Operating Environment [12 November 2025]
8.	5 th Annual Governance, Risk and Compliance Asia 2025 [26 November 2025]
9.	Banking Ethics Unveiled: Real World Insights [1 December 2025]
10.	Future Ready Boards- Mastering Strategic Leadership in a Disruptive World [2 December 2025]
11.	Top Five Risks facing Islamic Financial Institution – A board Level View [5 December 2025]

2) MBSB BANK BERHAD (MBSB BANK)

2.1 Board of Directors of MBSB Bank

The Board of MBSB Bank is responsible for overseeing the conduct of MBSB Bank’s business and the Management’s implementation of MBSB Bank’s strategic objectives as well as its conduct and performance. The Board of MBSB Bank is also responsible for the overall Corporate Governance of MBSB Bank in an effective and responsible manner. The Board of MBSB Bank sets MBSB Bank’s values and standards and ensures that its obligations to its shareholders and other stakeholders, which include the regulators, business partners, clients, employees, suppliers and vendors, are understood and met.

The Board of MBSB Bank is guided by the Board Charter which clearly sets out its roles and responsibilities and describes matters expressly reserved for the Board’s determination and matters delegated to the Board Committees and Management. The Board Charter is reviewed and updated periodically to ensure that any updates on relevant laws and regulations are duly incorporated.

The Board of MBSB Bank is supported by various Board Committees, and the roles and responsibilities of the respective Committees are clearly outlined in the TOR, which requires regular review and approval by the Board from time to time.

Each individual Director, on the other hand, has a legal duty to act in the best interest of MBSB Bank. The Board of MBSB Bank collectively and individually are aware of their responsibilities to shareholders and other stakeholders for the manner in which the affairs of MBSB Bank are managed.

The composition of the Board of Directors of MBSB Bank during the year 2025 and the records of attendance at Board Meeting held in the financial year ended 31 December 2025 are as follows:-

#	Member	Attendance	Percentage
1	Dato' Wan Kamaruzaman bin Wan Ahmad Chairman/ Non-Independent Non-Executive Director	14/14	100%
2	Datuk Azrulnizam bin Abd Aziz Senior Independent Non-Executive Director	14/14	100%
3	Encik Kamarulzaman bin Ahmad Independent Non-Executive Director	14/14	100%
4	Encik Arul Sothy Mylvaganam Independent Non-Executive Director	14/14	100%
5	Encik Ho Kwong Hoong Independent Non-Executive Director	14/14	100%
6	Encik Shawn Conrad Campos Independent Non-Executive Director	13/14	93%
7	Puan Azizah binti Wan Chik Independent Non-Executive Director (Appointed on 15 July 2025)	8/8	100%

Note:

Encik Shawn Conrad Campos was unable to attend one (1) Board meeting in 2025 due to reasonable excuse as acknowledged and approved by the Board.

The key personal details and background of the Directors of MBSB Bank including work experience, shareholding in MBSB and external professional commitments are as follows:-

DATUK AZRULNIZAM BIN ABDUL AZIZ

Senior Independent Non-Executive Director

Nationality / Age / Gender

Malaysian / 56 / Male

Date of Appointment

1 March 2017

Academic / Professional Qualification(s)

- Boards and Risks Program, IMD
- Chartered Professional in Islamic Finance
- Executive Education - Driving Digital Strategy, Harvard Business School, USA
- Leadership Programme, Oxford University, UK
- MBA, International Business, University of Hartford, Connecticut, USA
- BBA Marketing, Wichita State University, USA
- Diploma in Business Studies, UiTM Malaysia

Working Experience and occupation

Present Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Independent Director, Malaysian Industrial Development Finance Berhad. • Chairman, Perbadanan PR1MA Malaysia • Independent Director, Thriven Global Berhad • Independent Director, AmMetlife Takaful Berhad • Executive Director, CR FinaCapital Sdn Bhd • Director, Petrowangsa Sdn Bhd • Director, Fuze Development Sdn Bhd • Member, CEO@Faculty Programme
Past Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Chairman, Pelaburan MARA Berhad (2020-2021) • Director, Dagong PMB Holdings Berhad (2018-2019) • Group Strategic Financial Advisor, Syarikat Perumahan Negara Berhad (SPNB) (2018-2019) • Director, Bintai KA Development Sdn Bhd (2017-2019) • Executive Director, OCR Group Berhad (2016-2018) • Chief Executive Officer, Al Rajhi Banking & Investment Corporation Malaysia Berhad (2012-2014) • Chief Executive Officer, Standard Chartered Sa'adiq Berhad (2008–2011) • Director & Head of Islamic Banking Division, Standard Chartered Bank Malaysia Berhad (2005-2008) • Vice President, Citibank Malaysia Berhad (1996-2005)
Shareholding in MBSB Berhad	None
ENCIK KAMARULZAMAN BIN AHMAD	
Independent Non-Executive Director	
Nationality / Age / Gender	Malaysian / 51/ Male
Date of Appointment	1 October 2019
Academic / Professional Qualification(s)	<ul style="list-style-type: none"> • British A-Levels, New College Cardiff, United Kingdom • BEng (Hons) Electrical and Electronics Engineering, Imperial College of Science & Technology, London, United Kingdom
Working Experience and occupation	
Present Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Head of Sarawak & Sabah, Gentari Renewables Sdn Bhd (100% owned subsidiary of PETRONAS) • Managing Director, LCTAsia Sdn Bhd

Past Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Director, Billplz Qapital Berhad • Director, Gentari Suria Resi Sdn Bhd (2023-2026) • Head of Corporate Ventures, Tenaga Nasional Berhad (2020 - 2022) • Head, Strategy, AirAsia Digital (2018 - 2020) • Managing Director of a Military Cybersecurity Company (2014 – 2017) • Managing Director, Endeavor Malaysia (2013 – 2014) • CEO, CaterhamJet Malaysia (2013) • Director, Asian Aviation Centre of Excellence (2011 – 2013) • Regional Head of Customer Experience, AirAsia (2011 – 2013) • Regional Head of Strategy and Planning, AirAsia (2010 – 2011) • Various senior positions in PETRONAS Group (2006 – 2010) • Sauber PETRONAS F1 Electronics Engineer, Zurich (2000 - 2005)
Shareholding in MBSB Berhad	None
ENCIK ARUL SOTHY MYLVAGANAM Independent Non-Executive Director	
Nationality / Age / Gender	Malaysian / 69/ Male
Date of Appointment	5 May 2020
Academic / Professional Qualification(s)	<ul style="list-style-type: none"> • Fellow, Association of Chartered Certified Accountants, UK (ACCA) • Fellow, Certified Public Accountants, Australia (CPA) • Member, Malaysian Institute of Accountants (MIA) • Certified Financial Planner
Working Experience and occupation	
Present Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Director, Agensi Pekerjaan Hays (Malaysia) Sdn Bhd • Principal, Myles Advisory

Past Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Director, Takaful Ikhlas General Berhad (2019-2025) • Director, APJV Holdings Sdn Bhd (2022-2025) • Director, Hays Specialist Recruitment Sdn Bhd (2012-2020) • Director, MNRB Holdings Berhad (2017 – 2019) • Director, Malaysia National Reinsurance Berhad (2016-2019) • Group Chief Operating Officer, PNB Commercial Sdn Bhd (2009 - 2011) • General Manager/ CFO, Syarikat Perumahan Pegawai Kerajaan Sdn Bhd (1995 – 2009) • Senior Manager – Audit, Ernst & Young Kuala Lumpur (1987 – 1994) • Accountant, North American Travel, London, UK (1986 – 1987) • Simmons Cohen Fine & Partners, Chartered Accountants, London, UK (1978 – 1985)
Shareholding in MBSB Berhad	None
ENCIK SHAWN CONRAD CAMPOS Independent Non-Executive Director	
Nationality / Age / Gender	Malaysian / 54 / Male
Date of Appointment	1 September 2024
Academic / Professional Qualification(s)	<ul style="list-style-type: none"> • Certified Public Accountant (CPA) Member, Malaysian Institute of Certified Public Accountants • Certified, Omega Credit Skills Assessment Programme
Working Experience and Occupation	
Present Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Nil
Past Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Director, RHB Bank Cambodia Plc. (2023 - 2024) • Director, RHB Bank Laos Co. Ltd. (2023 - 2024) • Group Chief Credit Officer, RHB Bank Berhad (2019 – 2024) • Deputy Group Chief Credit Officer, RHB Bank Berhad (2014 - 2019) • Senior Credit Manager/ Head of Credit Evaluation, RHB Bank Berhad (2008 - 2014) • Head of Compliance Competencies & Knowledge Engineering Department, RHB Bank Berhad (2008) • Acting Head of Credit Compliance Department, RHB Bank Berhad (2007)

	<ul style="list-style-type: none"> • Various roles held in Credit Compliance Department, RHB Bank Berhad (2003 - 2007) • Head, Supervision of Market Institutions, Securities Commission (2003) • Assistant Manager, Intermediary Supervision Department of the Market Supervision Division, Securities Commission (2001 - 2002) • Senior Executive Officer, Intermediary Supervision Department of the Market Supervision Division, Securities Commission (1999 - 2000) • Assistant Manager, KPMG Peat Marwick (1991 - 1999)
Shareholding in MBSB Berhad	None
PUAN AZIZAH BINTI WAN CHIK	
Independent Non-Executive Director	
Nationality / Age / Gender	Malaysian / 59 / Female
Date of Appointment	15 July 2025
Academic / Professional Qualification(s)	<ul style="list-style-type: none"> • Executive Education Programme on Sustainability, IMD Business School • ICLIF Executive Leadership Program, ICLIF • Certified Credit Professional, Bank Negara Malaysia • Capital Markets Service Representatives License, Securities Commission • BA Honours In Accounting & Finance, Liverpool John Moores University
Working Experience and Occupation	
Present Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Nil
Past Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Advisor / Group Institutional Banking, Bank Islam Malaysia Berhad (2023 - 2024) • Director, Client Coverage (Domestic, Regional & MENA), Maybank Investment Bank Berhad (2011 - 2023) • Associate Director, Debt Capital Markets, Maybank Investment Bank Berhad (2009 - 2011) • Team Lead, Transformation Office, Maybank Investment Bank Berhad (2008 – 2009) • Vice President, Corporate Investment Banking, Maybank Investment Bank Berhad (2006 - 2008) • Associate Director, Debt Capital Markets, Maybank Investment Bank Berhad (2004 - 2006)

- Vice President 5, Debt Capital Markets, Affin Investment Bank Berhad (2002 – 2004)
- Vice President 4, Debt Market Department, Affin Investment Bank Berhad (2001 – 2002)
- Manager, Loan Recovery, Affin Investment Bank Berhad (2000 - 2001)
- Deputy Manager, CEO’s Office, Affin Investment Bank Berhad (1999 - 2000)
- Senior Executive, Corporate Banking, Affin Investment Bank Berhad (1996 - 1999)
- Account Manager, Corporate Banking, Bank Bumiputra Malaysia Berhad (1992 - 1996)
Auditor, KPMG Peat Marwick (1992)

Shareholding in MBSB Berhad None

**The profile of Dato’ Wan Kamaruzaman bin Wan Ahmad and Encik Ho Kwong Hoong are disclosed in the “Profile of MBSB Board of Directors” section of the Integrated Annual Report 2025.*

2.2 Board Committees of MBSB Bank

In discharging its roles and responsibilities, the Board has established specialised Board Committees to oversee critical or major functional areas and to address matters which require detailed review or in-depth consideration. Although the Board has delegated certain duties to the Board Committees, it remains responsible for the decisions of the committees. The Board has delegated specific responsibilities to the following Committees:

1. Board Audit Committee;
2. Board Risk Management and Compliance Committee;
3. Group Nomination and Remuneration Committee (at MBSB Berhad);
4. Board Investment and Credit Committee; and
5. Group Board Information Technology Oversight Committee.

(i) Board Audit Committee (BAC)

The principal function of the BAC is to assist the Board in fulfilling its fiduciary responsibilities, particularly in the areas of accounting and management controls and financial reporting, including:

- to ensure financial statements comply with applicable financial reporting standards;
- to reinforce the independence and objectivity of the Internal Audit Division;
- to provide the focal point for communication between external auditors, internal auditors, risk managers, Directors and the Management on matters in connection with accounting, reporting, risks and controls and providing a forum for discussion independent of the Management; and
- to undertake additional duties as may be deemed appropriate and necessary to assist the Board.

The composition of the BAC and the records of attendance of BAC members during the year 2025 are as follows:

#	Member	Attendance	Percentage
1	Encik Arul Sothy Mylvaganam (Chairman) (Independent Non-Executive Director)	12/12	100%
2	Datuk Azrulnizam bin Abd Aziz (Member) Senior Independent Non-Executive Director	12/12	100%
3	Encik Shawn Conrad Campos (Member) Independent Non-Executive Director	12/12	100%
4	Puan Azizah binti Wan Chik (Member) Independent Non-Executive Director (Appointed as Member on 15 July 2025)	6/6	80%

(ii) Board Risk Management and Compliance Committee (BRMCC)

The primary objectives of BRMCC are to assist the Board in fulfilling its fiduciary responsibilities particularly in risk management and compliance, including:-

- risk oversight within the MBSB Bank which includes reviewing the risk management policies, risk exposure and limits as well as ensuring that all risks are well managed within MBSB Bank's risk appetite by providing adequate infrastructure and resources in place to support the risk management activities.
- Oversee Senior Management's activities in managing credit, market, liquidity, shariah, IT, operational, compliance, legal, climate and other risk and to ensure that the risk management process is in place and functioning;
- Provide focal point for communication between risk managers, Board and Senior Management on matters in connection with reporting, risks and controls and providing a forum for discussion independent of the Management;
- Review and recommend areas related to the administration of Risk Management Controls to the Board, to the Board for approval; and
- Undertake additional duties as may be deemed appropriate and necessary to assist the Board.

The composition of the BRMCC and the records of attendance of BRMCC members during the year 2025 are as follows:

#	Member	Attendance	Percentage
1	Encik Ho Kwong Hoong (Chairman) (Independent Non-Executive Director)	14/14	100%
2	Encik Arul Sothy Mylvaganam (Member) (Independent Non-Executive Director)	14/14	100%
3	Encik Kamarulzaman bin Ahmad (Member) Independent Non-Executive Director	14/14	100%

(iii) Board Investment and Credit Committee (BICC)

The primary objectives of BICC are to assist the Board in making decision on the following:-

- To affirm or veto, Corporate and Consumer financing/investment proposal and/or request for changes to existing financing/ investment accounts with a remaining exposure within the Committee's discretionary authority.

- To grant waivers on penalty, normal profit, principal amount of non-performing Corporate and Consumer financing/investment accounts within the Committee’s discretionary authority.
- To affirm or veto, the rescheduling/restructuring or modification of terms and conditions of Corporate Accounts within the Committee’s discretionary authority.
- To affirm or veto, additional financing to Corporate customers within the Committee’s discretionary authority with rescheduled/restructured facilities.
- To affirm or veto, any moratorium granted to Corporate customers within the Committee’s discretionary authority.
- To exercise its discretion to impair an account that exhibits weaknesses, as and when necessary.
- To consider and provide direction on the strategy and action to be taken and the extent of recovery for the Impaired accounts within the Committee’s discretionary authority.
- To review and recommend the strategy for debt sale exercise for financing assets

The composition of the BICC and the records of attendance of BICC members during the year 2025 are as follows:

#	Member	Attendance	Percentage
1	Datuk Azrulnizam Abd Aziz (Chairman) Senior Independent Non-Executive Director	27/27	100%
2	Encik Kamarulzaman bin Ahmad (Member) Independent Non-Executive Director	26/27	96%
3	Encik Shawn Conrad Campos (Member) Independent Non-Executive Director	27/27	100%
4	Puan Azizah binti Wan Chik (Member) Independent Non-Executive Director (Appointed as Member on 15 July 2025)	14/14	100%

(iv) Group Board Information Technology Oversight Committee (GBITC)

The Board of MBSB has recommended the establishment of a single Board IT committee which will provide effective governance and oversight for all IT and digital related matters across the Group. The Board of MBSB Bank had assessed and approved the expansion of the BITC of MBSB Bank and the BITC has been renamed to Group Board Information Technology Oversight Committee (GBITC) effective 1 April 2025.

While the GBITC will be streamlined within MBSB Bank, GBITC will deliberate, recommend and/or approve relevant matters within its’ purview or as delegated under the MBSB Group or its subsidiary’s approving authority manual, respectively. As a formal committee reporting directly to the Board, the GBITC serves as the senior governance and policy making authority for IT and digital related matters within the Group.

The primary objectives of GBITC are:-

- To ensure that the Group’s IT and digital planning and investment supports the Group’s strategic business goals and Group IT strategic plan;
- To oversee matters related to IT Risk Management Framework which includes RMIT business impact analysis, IT applications and cyber security matters for the Group;
- To review, deliberate and recommend the establishment of new IT and digital policies, frameworks, standards and security matters governing the operations of the entities, for respective Board’s approval.

- To monitor the effectiveness in implementing key IT and digital policies, such as the IT security policy and IT Risk Management Framework;
- To monitor the overall efficiency, performance and effectiveness of IT and digital services, utilization and identify obsolescence;
- To review the adequacy and allocation of resources for the Group Technology Division and the respective digital team;
- To review and monitor the Group’s digitalisation strategy and initiatives;
- To establish priorities and monitor status of IT and digital projects and compliance towards service level agreements;
- To monitor overall IT and digital expenditure (i.e. IT CAPEX and OPEX);
- To review and recommend to the respective Board, the scorecard/KPI for Group Technology Division (GTD) and periodic updates on scorecard performance and progress updates.

The composition of the GBITC and the records of attendance of GBITC members during the year 2025 are as follows:

#	Member	Attendance	Percentage
1	Encik Kamarulzaman bin Ahmad (Chairman) Independent Non-Executive Director	16/16	100%
2	Datuk Azrulnizam Abd Aziz (Member) Senior Independent Non-Executive Director	16/16	100%
3	Datuk (Dr.) Yasmin Mahmood (Member) Non-Independent Non-Executive Director (Appointed as Member on 1 April 2025)	12/13	92%
4	Puan Norashikin binti Mohd Kassim (Member) Independent Non-Executive Director (Appointed as Member on 1 April 2025)	13/13	100%
5	Encik Ho Kwong Hoong Independent Non-Executive Director (Resigned on 1 April 2025)	3/3	100%

2.3 Board Training attended by Directors of MBSB Bank

The list of programmes, conferences, seminars or dialogues attended by the Board of MBSB Bank in 2025 are as follows

Datuk Azrulnizam Abd Aziz	
1.	Director overseas training - Board and Risk : Risk governance and prevention in a chaotic world [2 & 3 May 2025]
2.	E-Invoice Session with EY [3 June 2025]
3.	Cybersecurity Awareness Day [11 June 2025]
4.	Corruption Awareness session for Board of Directors [2 July 2025]
5.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]
6.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
7.	MBSB Workshop - Sustainability- An Evolution Driving Business Growth [15 & 16 October 2025]

Encik Arul Sothy Mylvaganam

1.	CPR/AED Training for Board [20 May 2025]
2.	E-Invoice Session with EY [3 June 2025]
3.	Cybersecurity Awareness Day [11 June 2025]
4.	Corruption Awareness session for Board of Directors [2 July 2025]
5.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]
6.	Strategic Shift in Financial Institutions – Focus on SMEs and Islamic Banking [5 August 2025]
7.	MBSB Group Directors' Training [2 September 2025] 1. Toyyib Framework for Sustainability 2. IFRS Sustainability Standards 3. Understanding the Circular Economy
8.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
9.	Anti Bribery and Corruption Training Awareness [6 October 2025]

Encik Kamarulzaman bin Ahmad

1.	CPR/AED Training for Board [20 May 2025]
2.	E-Invoice Session with EY [3 June 2025]
3.	Cybersecurity Awareness Day [11 June 2025]
4.	Corruption Awareness session for Board of Directors [2 July 2025]
5.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]
6.	Anti Bribery and Corruption Training Awareness [6 October 2025]
7.	MBSB Workshop - Sustainability- An Evolution Driving Business Growth [15 & 16 October 2025]
8.	MBSB 2025 Risk Awareness Day ("riskXperience Day") [3 November 2025]
9.	Masterclass on Generative AI - "Disruption & Value Creation " by Professor Phil Parker - Training by INSEAD [3 November 2025]
10.	Silverlake Customer Connect Conference (SCC) 2025 : to explore "Banking in the Age of AI Native: Reimagine Core Intelligence." [20 November 2025]

Encik Shawn Conrad Campos

1.	Mandatory Accreditation Programme (MAP) Part II : Leading for Impact (LIP) [13 - 14 January 2025]
2.	CPR/AED Training for Board [20 May 2025]
3.	E-Invoice Session with EY [3 June 2025]
4.	Cybersecurity Awareness Day [11 June 2025]
5.	Corruption Awareness session for Board of Directors [2 July 2025]
6.	Islamic Finance for Board of Directors Programme (IF4BOD) [9 & 10 July 2025]
7.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]

8.	Strategic Shift in Financial Institutions – Focus on SMEs and Islamic Banking [5 August 2025]
9.	FIDE CORE Modules A & B (Bank) Module A - 29 September 2025 – 2 October 2025 Module B – 13 October 2025 -16 October 2025
10.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
11.	Anti Bribery and Corruption Training Awareness [6 October 2025]
12.	Masterclass on Generative AI - "Disruption & Value Creation " by Professor Phil Parker - Training by INSEAD [3 November 2025]

Puan Azizah binti Wan Chik

1.	IMD Masterclass on Competitiveness & Strategy [18 July 2025]
2.	Strategic Shift in Financial Institutions – Focus on SMEs and Islamic Banking [5 August 2025]
3.	MBSB Group Directors' Training [2 September 2025] 1. Toyyib Framework for Sustainability 2. IFRS Sustainability Standards 3. Understanding the Circular Economy
4.	Mandatory Accreditation Programme (MAP) Part I [10 & 11 September 2025]
5.	Mandatory Accreditation Programme (MAP) Part II : Leading for Impact (LIP) [7 & 8 October 2025]
6.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
7.	Anti Bribery and Corruption Training Awareness [6 October 2025]
8.	MBSB Workshop - Sustainability- An Evolution Driving Business Growth [15 & 16 October 2025]
9.	Economic Outlook & Post-Budget 2026 [12 November 2025]
10.	Leading for Impact (LIP) Alumni Sharing and Networking Session [12 November 2025]

** Trainings attended by Dato' Wan Kamaruzaman bin Wan Ahmad and Encik Ho Kwong Hoong are disclosed in Section 1.3 above.*

3. MBSB INVESTMENT BANK BERHAD (MBSB IB) (formerly known as MIDF Amanah Investment Bank Berhad)

3.1 Board of Directors of MBSB IB

The Board of MBSB IB is responsible for overseeing the conduct of MBSB IB's business and the Management's implementation of MBSB IB's strategic objectives as well as its conduct and performance. The Board of MBSB IB also responsible for the overall Corporate Governance of MBSB IB in an effective and responsible manner. The Board of MBSB IB sets MBSB IB's values and standards and ensures that its obligations to its shareholders and other stakeholders, which include the regulators, business partners, clients, employees, suppliers and vendors, are understood and met.

Each individual Director, on the other hand, has a legal duty to act in the best interest of MBSB IB. The Board of MBSB IB collectively and individually are aware of their responsibilities to shareholders and other stakeholders for the manner in which the affairs of MBSB IB are managed.

The Board of MBSB IB is guided by the Board Charter which clearly sets out its roles and responsibilities and describes matters expressly reserved for the Board's determination and matters delegated to the Board Committees and Management. The Board Charter is reviewed and updated periodically to ensure that any updates on relevant laws and regulations are duly incorporated.

The Board reserves full decision making powers notwithstanding any delegation of authority to the Board Committees and Management, on matters relating to amongst others, strategies, business plans and budget, significant policies, conflict of interest issues relating to a substantial shareholder and/or a Director, material acquisitions and disposal of assets not in the ordinary course of business, investment in capital projects, authority levels, risk management policies and key human resources issues.

Based on the assessment conducted on the probity, personal integrity and reputation, competence and capability and financial integrity, the Board Members are fit and proper to hold the position as Directors of MBSB IB.

During the period under review, the Board consisted of five (5) members: the Chairman, who is a Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. All the four (4) Independent Directors are independent of Management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgment. Puan Lynette Yeow Su-Yin was appointed as a director on 1 January 2025. Dato' Wan Kamaruzaman bin Wan Ahmad was appointed as Chairman of the Board on 5 August 2025 replacing Datuk Mohd Nasir bin Ali who was retiring on 4 August 2025. On 31 December 2025, Encik Ahlan Nasri bin Mohd Nasir resigned as director due to change of his current employment policy that does not allow him having any external directorship.

The composition of the Board reflects a wide range of experience and expertise in areas such as banking, accounting, economics, business administration, asset management, insurance, Islamic Finance and legal and capital market.

Our Board recognises the important role that Independent Directors play in ensuring good Corporate Governance practices within MBSB IB. All Directors, regardless of their independent status, are required to act in the best interest of MBSB IB and to exercise free and independent judgement. It has been the directors' practice to disclose their interest or any possible conflicts on any matter put forth for the Board's consideration. Any interested Director shall recuse himself/herself when required and abstain from deliberation to allow unbiased and open discussion and decision making. The Directors are highly cognisant of their duties to disclose conflict of interest situation accordingly.

The Board of MBSB IB is supported by various Board Committees, and the roles and responsibilities of the respective Committees are clearly outlined in the TOR, which requires regular review and approval by the Board from time to time.

The composition of the Board of Directors of MBSB IB during the year 2025 and the records of attendance at Board Meeting held in the financial year ended 31 December 2025 are as follows:

#	Member	Attendance	Percentage
1	Datuk Mohd Nasir bin Ali	8/8	100%

	Independent Non-Executive Director (Retired on 4 August 2025)		
2	Dato' Wan Kamaruzaman bin Wan Ahmad (Chairman) Non-Independent Non-Executive Director (Appointed on 5 August 2025)	8/8	100%
3	Encik Ahlan Nasri bin Mohd Nasir Independent Non-Executive Director (Resigned on 31 December 2025)	14/16	87%
4	Encik Azlan bin Abdullah Independent Non-Executive Director	16/16	100%
5	Puan Norashikin binti Mohd Kassim Independent Non-Executive Director	14/16	87%
6	Puan Lynette Yeow Su-Yin Independent Non-Executive Director (Appointed on 1 January 2025)	16/16	100%

Note:

1. Datuk Mohd Nasir bin Ali retired as Chairman on 4 August 2025.
2. Dato' Wan Kamaruzaman bin Wan Ahmad was appointed as Chairman on 5 August 2025.
3. Puan Norashikin binti Mohd Kassim was unable to attend two (2) Board meetings in 2025 due to reasonable excuse as acknowledged and approved by the Board.
4. Encik Ahlan Nasri bin Mohd Nasir was unable to attend two (2) Board meetings in 2025 due to reasonable excuse as acknowledged and approved by the Board.

The key personal details and background of the Directors of MBSB IB including work experience, shareholding in MBSB and external professional commitments are as follows:-

DATUK MOHD NASIR BIN ALI

Chairman / Independent Non-Executive Director (Retired w.e.f 4 August 2025)

Nationality / Age / Gender Malaysian / 68 / Male

Date of Appointment 5 August 2019

Academic / Professional Qualification(s)

- Bachelor of Economic (Honours), University of Malaya
- Master of Science Degree in Financial Studies, University of Strathclyde, United Kingdom

Working Experience and Occupation

Present Directorship(s) and/or Appointment(s)

- Director, Malaysian Industrial Development Finance Berhad
- Director, Goodyear Malaysia Berhad
- Director, Minority Shareholders Watch Group
- Director, JLG Investment Holdings Sdn Bhd

Past Directorship(s) and/or Appointment(s)

- Chairman, Amanah Raya Berhad (2018-2020)
- Director, Damansara Holdings Berhad (2022-2023)
- Director, iCAPITAL. Biz Berhad (2021-2024)
- Director, Gold Li Development Sdn Bhd (2019-2022)
- Director, Gold Li Berhad (1/2022-12/2022)

	<ul style="list-style-type: none"> • Director, Value Partners Asset Management (M) Sdn Bhd • Director, Amanah International Finance Sdn Bhd (2017-2022) •
Shareholding in MBSB Berhad	15,000
ENCIK AHLAN NASRI BIN MOHD NASIR	
Independent Non-Executive Director (Resigned w.e.f 31 December 2025)	
Nationality / Age / Gender	Malaysian / 58 / Male
Date of Appointment	4 April 2017
Academic / Professional Qualification(s)	<ul style="list-style-type: none"> • BA Jurisprudence, ST Anne’s College, Oxford University, UK • Certified Diploma in Accounting & Finance, ACCA, UK • Certified Legal Practice, Legal Qualifying Board, Malaysia
Working Experience and Occupation	
Present Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Head Legal, Tenaga Nasional Berhad • Director, Southern Power Generation Sdn Bhd • Director, Spark Renewables Pty Ltd
Past Directorship(s) and/or Appointment(s)	<ul style="list-style-type: none"> • Legal Director, Danajamin Nasional Berhad (2009-2015) • Partner, Messrs. Kadir Andri & Partners (2015-2021) • Partners, Messrs. Zaid Ibrahim & Co (2006-2009) • Partners, Messrs. Zain & Co (2004-2006) • Partners, Messrs. Abdul Raman Saad & Associates (1997-2004) • Director, MIDF Amanah Asset Management Berhad (2017 - 2022)
Shareholding in MBSB Berhad	<ul style="list-style-type: none"> • None
ENCIK AZLAN BIN ABDULLAH	
Independent Non-Executive Director	
Nationality / Age / Gender	Malaysian / 68 / Male
Date of Appointment	18 May 2017
Academic / Professional Qualification(s)	<ul style="list-style-type: none"> • Bachelor of Science in Business Administration, Trinity University, San Antonio, Texas, USA • Master’s Degree in Business Administration, Morehead State University, Kentucky, USA.

Working Experience and Occupation

Present Directorship(s) and/or Appointment(s)

- Managing Director, Langkawi Yacht City Berhad
- Mycron Steel Berhad
- Melewar Industrial Group Berhad
- Langkawi Yacht City Berhad
- Mycron Steel CRC Sdn Bhd
- Melewar Steel Assets Sdn Bhd
- Melewar Steel Mills Sdn Bhd
- Melewar Steel Services Sdn Bhd
- Melewar Steel Tube Sdn Bhd
- Ausgard Quick Assembly Systems Sdn Bhd
- PMP Galvanizers Sdn Bhd
- Atlantic Corridor Sdn Bhd
- Inai Semarak Sdn Bhd
- LYC Hospitality Sdn Bhd
- LYC Marina Sdn Bhd
- RLYC Fisherman Wharf Sdn Bhd
- Silver Victory Sdn Bhd
- Southern Nights Sdn Bhd
- Suasa Wawasan (M) Sdn Bhd

Past Directorship(s) and/or Appointment(s)

- GMD/CEO, Melewar Industrial Group Berhad (2002-2019)
- Executive Director/CEO, Mycron Steel Berhad (2004-2015)
- Executive Director, Maruchi Malaysia Steel Tubes Berhad (2002-2004)
- Managing Director, Aaco Technologies Sdn Bhd (1997-2001)
- Vice President and Head of Public Sector Division, Citibank Berhad (1995-1996)
- Head of Priority Banking Division and Branch Manager of KL Main Branch, Bank of Commerce (1998-1995)
- Management Trainee, Citibank N A (1983-1987)

Shareholding in MBSB Berhad

- None

PUAN NORASHIKIN BINTI MOHD KASSIM

Independent Non-Executive Director

Nationality / Age / Malaysian / 55 / Female

Gender

Date of Appointment 1 August 2024

Academic / Professional Qualification(s)

- Master of Islamic Banking and Finance, Institute of Banking and Finance, International Islamic University
- Master of Arts, University of Oxford
- Master of Actuarial Science, City University of London
- Bachelor (Honours) Mathematic, University of Oxford

Working Experience and Occupation

Present Directorship(s) and/or Present Appointment(s)

- MIDF Amanah Asset Management Berhad
- Malaysia Debt Ventures Berhad
- Ora Global Sdn Bhd

Past Directorship(s) and/or Appointment(s)

- Grand Council, Chartered Institute of Islamic Finance Professionals
- Director, BIMB Foreign Currency Clearing Agency Sdn Bhd
- Chief Treasury Officer, KFH Malaysia Berhad (2017-2021)
- Chief Executive/Co-Chief Investment Officer, CIMB Principal Islamic Asset Management (2015-2016)
- Director of Treasury, Bank Islam Malaysia Berhad (2006-2015)
- Chief Financial Officer, Penerbangan Malaysia Berhad (2005)
- Head of Interest Rate Derivatives, Standard Chartered Bank (M) Berhad (2004)
- Vice President, Citigroup Investment Bank Singapore & Citibank Malaysia Berhad (1997-2004)
- Executive, Interest Rate and Foreign Currency Derivatives, Affin Bank Berhad (1995-1997)
- Executive, Actual Department and Assistant to the Secretary of Actuarial Society of Malaysia, ING Berhad (1994-1995)

Shareholding in MBSB Berhad

- 86,642

PUAN LYNETTE YEOW SU-YIN

Independent Non-Executive Director

Nationality / Age / Gender Malaysian / 56 / Female

Date of Appointment 1 January 2025

Academic / Professional Qualification(s)

- Member, Malaysian Bar
- Master of Arts, University of Cambridge
- Bachelor of Arts (Hons), University of Cambridge

Working Experience and Occupation

Present Directorship(s) and/or Present Appointment(s)

- Director, CTOS Digital Berhad
- Director, Orkim Berhad
- Director, TNB Power Generation Sdn Bhd
- Director, SC Shekar Photography Sdn Bhd
- Director, Beagle Books Sdn Bhd
- Trustee, Amanah Warisan Negara
- Consultant, Christopher & Lee Ong, Advocates & Solicitors

- Past Directorship(s) and/or Appointment(s)**
- Director, MBSB Berhad (2018- 2026)
 - Board Member, The Securities Commission Malaysia (2021-2023)
 - Director, CTOS Data Systems Sdn Bhd (2020-2023)
 - Director, MBSB Bank Berhad (2018-2021)
 - Director, Themed Attractions Resorts and Hotels Sdn Bhd (2015-2020)
 - Panel of Mediators, Securities Industry Dispute Resolution Centre (SIDREC) (2015-2019)
 - Consultant, Sanjay Mohan, Advocates & Solicitors (2019-2025)
 - Trustee, The Datai Pledge (2020-2025)
 - Partner, Chua Associates, Advocates & Solicitors (2015-2018)
 - Partner, Kadir Andri & Partners (2011-2015)
 - Partner, Zaid Ibrahim & Co (2002-2011)
 - Partner, Raslan Loong (2000-2002)
 - Legal Assistant, Raslan Loong (1998-1999)
 - Legal Assistant, Rashid & Lee (1998-1998)
 - Legal Assistant, Lee Choon Wan & Co (1995-1997)
 - Legal Assistant, Lee Hishamuddin (1995-1995)
- Shareholding in MBSB Berhad**
- None

**The profile of Dato' Wan Kamaruzaman bin Wan Ahmad is disclosed in the "Profile of MBSB Board of Directors" section of the Integrated Annual Report 2025.*

3.2 Board Committees of MBSB IB

In discharging its roles and responsibilities, the Board has established specialised Board Committees to oversee critical or major functional areas and to address matters which require detailed review or in-depth consideration. Although the Board has delegated certain duties to the Board Committees, it remains responsible for the decisions of the committees. The Board has delegated specific responsibilities to the following Committees:

1. Board Audit Committee;
2. Board Risk Management and Compliance Committee;
3. Board Investment and Credit Committee;
4. Group Nominating and Remuneration Committee (at MBSB Berhad); and
5. Group Board Information Technology Oversight Committee (at MBSB Bank Berhad).

(i) Board Audit Committee (BAC)

The principal function of the BAC is to assist the Board in fulfilling its oversight function, with the objective of safeguarding shareholder's investments and the Bank's assets, in the following areas:

- Financial Statements and Reporting
 - (i) Ensure fair and transparent reporting and prompt publication of the financial accounts.

- (ii) Review the interim, quarterly financial statements and the annual financial statements for recommendation to the Board for approval, focusing particularly on:
 - (a) any changes in accounting policies and practices;
 - (b) significant adjustments arising from the audit;
 - (c) the going concern assumption; and any changes in accounting policies and practices; and
 - (d) Compliance with accounting standards and other legal and regulatory requirements.
- (iii) Review the accuracy and adequacy of the chairman's statement in the directors' report, corporate governance disclosures, interim financial reports and preliminary announcements in relation to the preparation of financial statements.

- Effectiveness of Internal Audit and Compliance Functions

- (i) Oversee the functions of the Internal Audit as per the requirements of Bank Negara Malaysia Guidelines on Internal Audit Function of Licensed Institutions, Bank Negara Malaysia Guidelines on Corporate Governance, the Securities Commission Guidelines on Performance of Supervisory Functions and the Rules of Bursa Malaysia Securities.
- (ii) Review and approve the audit charter/policy, audit plan and budget, and scope of the internal audit programme and frequency.
- (iii) Review and approve the internal audit reports and ensure Management addresses the audit issues appropriately and in timely manner.
- (iv) Assess the performance and effectiveness of the internal audit functions and communicate the results of the assessment on internal audit to BAC of MIDF Berhad and Board of MBSB IB, respectively.
- (v) Meet with internal auditor without the presence of Management, at least annually.
- (vi) If any, note significant disagreements between the Head, Internal Audit and the Management team, irrespective of whether these have been resolved, in order to identify any impact, the disagreements may have on the audit process or findings.

- Internal Controls Framework

Oversee the implementation of the Bank's internal control framework, and periodically review whether these remain appropriate in light of material changes to the size, nature and complexity of the Bank's operations.

- External Auditor

- (i) Recommend the appointment, remuneration and removal of the external auditors.
- (ii) Assess objectivity, performance and independence of external auditor (e.g. by reviewing and assessing the various relationships between the external auditor and the Bank or any other entity).

- (iii) Review the external auditor’s management letter and response.
- (iv) Approve the provision of non-audit services by the external auditor.
- (v) Ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgement of the external auditor.
- (vi) Review the external auditor’s report and recommendations and ensure that issues are being managed by Management and rectified appropriately and in a timely manner.
- (vii) Have direct communication channels with the external auditors and able to meet with the external auditor without the presence of management, at least annually.

- **Related Party Transaction**

Review all RPT and keep the board informed of such transactions.

- **Others**

Review third-party opinions on the design and effectiveness of the Company’s internal control framework.

The composition of the BAC and the records of attendance of BAC members during the year 2025 are as follows:

#	Member	Attendance	Percentage
1	Puan Norashikin binti Mohd Kassim (Chairman) Independent Non-Executive Director	11/11	100%
2	Encik Ahlan Nasri bin Mohd Nasir (Member) Independent Non-Executive Director	11/11	100%
3	Encik Azlan bin Abdullah (Member) Independent Non-Executive Director	10/11	91%

Note:

1. Puan Norashikin binti Mohd Kassim was appointed as Chairman on 1 January 2025.
2. Encik Ahlan Nasri bin Mohd Nasir was redesignated as a member on 1 January 2025 and resigned on 31 December 2025.

(ii) Board Risk Management and Compliance Committee (BRMCC)

The primary objectives of BRMCC are to oversee Senior Management’s activities in managing credit, market, liquidity, operational, legal, shariah, environmental, social and governance (“ESG”), technology (including cyber) and other risks. The BRMCC ensures that the risk management process is in place and functioning. The roles and responsibilities of BRMCC are as follows:

1) The Risk Management, Framework and Strategies: -

- (a) Review and recommend risk management strategies, policies and risk tolerance for board's approval.
- (b) Review and assess adequacy of risk management policies and framework in identifying measuring, monitoring and controlling risk and the extent to which these are operating effectively.
- (c) Ensure infrastructure, resources and systems are in place for risk management i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of the financial institutions' risk-taking activities.
- (d) Review management's periodic reports on risk exposure, risk portfolio composition and risk management activities.
- (e) Approve the appointment, remuneration, evaluate performance and decide on transfer, removal or termination of the Chief Risk Officer, MBSB IB ("CRO").
- (f) Assist in the implementation of a sound remuneration system, examine whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings, without prejudice to the tasks of the board remuneration committee.

2) Compliance

- (a) Review and approve compliance charter/policy, compliance plan and budget, and scope of compliance programme and frequency.
- (b) Review management reporting to the Board on compliance risk issues and any material incidences of non-compliance (for example, failures that may attract a significant risk of legal or regulatory sanction) to ensure such issues are resolve efficiently and expeditiously.
- (c) Review and recommend to Board for approval on all engagement with external expertise to undertake compliance assessment in specific areas.
- (d) Assess the performance and effectiveness of the compliance functions.
- (e) Approve the appointment, remuneration, evaluate performance and decide on transfer, removal or termination of the Head, Investment Banking Compliance MBSB IB.
- (f) Inculcate compliance culture within the bank so that compliance processes and controls are applied and embedded in the day-to-day business and operational activities.

The composition of the BRMCC and the records of attendance of BRMCC members during the year 2025 are as follows:

#	Member	Attendance	Percentage
1	Encik Ahlan Nasri bin Mohd Nasir (Chairman) Independent Non-Executive Director	14/14	100%

2	Encik Azlan bin Abdullah (Member) Independent Non-Executive Director	14/14	100%
3	Puan Norashikin binti Mohd Kassim (Member) Independent Non-Executive Director	13/14	93%

Note:

Encik Ahlan Nasri bin Mohd Nasir was appointed as Chairman on 1 January 2025 and resigned on 31 December 2025.

(iii) Board Investment and Credit Committee (BICC)

The primary objectives of BICC are to promote a sound credit risk management environment in supporting prudent credit-decision making, including reviewing the Bank's credit risk strategy, which articulate the overall direction for its credit activities, amongst others in accordance with its Terms of Reference as follows:

- 1) Ensure an effective credit risk strategy that shall ultimately support the long-term viability of the Bank through an optimal balance between the credit quality, profitability and growth objectives
- 2) Review the credit strategy by considering the interactions between the credit risk strategy and the bank-specific factors such as the risk appetite, existing level of capitals and provision needs in business as-usual and stressed scenarios, adequacy and competency of staff involved in credit process as well as the wider operating environment.
- 3) Oversee, review and endorse the Bank's credit strategy, policies and limits governing the Bank's credit operations.
- 4) Ensure a well-defined authority structure for approving credits, underpinned by a clear delineation of duties, and appropriate separation between credit risk oversight and decision-making.
- 5) Review and recommend to the Board of Directors a board-approved authority structure for any credits that have undergone the credit risk assessment process.
- 6) Ensure the approving authority structure mitigates potential conflict of interest by individuals within the credit approval authority.
- 7) Review and thereafter recommend the credit transactions and exposures with connected parties for Board's final approval.
- 8) Review and thereafter affirm or veto approval of credit applications (new or renewal), where credit is inconsistent with the Bank's risk appetite ("Exceptional Credit") and/or where the Chief Risk Officer ("CRO") or any officers responsible for credit risk management has escalated uninhibited concerns on specific credit decisions.
- 9) Review and thereafter affirm or veto the restructuring and rescheduling of non-performing loans/financing or defaulted Corporate Bonds/Sukuk approved by the Group Management Investment and Credit Committee ("GMICC") of the MBSB Group.
- 10) Consider and approve the disposal of collateral quoted shares/Shariah compliant shares and other pledged assets on non-performing loan accounts/financings under circumstances as provided for in the Bank-Wide Risk Management Policies.
- 11) Review and monitor the quality of credit portfolio of the Bank as to ensure it is in line with the approved credit risk strategies and appetite.
- 12) Perform such other functions as delegated by the Board of Directors from time to time.

The composition of the BICC and the records of attendance of BICC members during the year 2025 are as follows:

#	Member	Attendance	Percentage
1	Encik Azlan bin Abdullah (Chairman) Independent Non-Executive Director	13/13	100%

2	Puan Lynette Yew So-Yin (Member) Independent Non-Executive Director	13/13	100%
3	Dato' Wan Kamaruzaman bin Wan Ahmad Non-Independent Non-Executive Director (Appointed as Member on 5 August 2025)	5/5	100%
4	Datuk Mohd Nasir bin Ali (Member) Independent Non-Executive Director Resigned as Member on 4 August 2025)	8/8	100%

Note:

1. Puan Norashikin binti Mohd Kassim resigned as a member on 1 January 2025.
2. Encik Ahlan Nasri bin Mohd Nasir resigned as a member on 1 January 2025.
3. Datuk Mohd Nasir bin Ali retired as a member on 4 August 2025.
4. Dato' Wan Kamaruzaman bin Wan Ahmad was appointed as a member on 4 August 2025.

The information of Group Nominating and Remuneration Committee is disclosed in Section 1.2 (iii).

The information of Group Board Information Technology Oversight Committee is disclosed in Section 2.2 (iv).

Board Training attended by Directors of MBSB IB

The list of programmes, conferences, seminars or dialogues attended by the Board of MBSB IB in 2025 are as follows:-

Datuk Mohd Nasir bin Ali	
1.	Anti Bribery and Corruption Training Awareness [6 October 2025]
2.	Special Lecture: How Global Events Will Affect the Outlook for the Financial Industry in 2025 [19 February 2025]
3.	Corruption Awareness Session [2 July 2025]
4.	Strategic Shift in Financial Institutions - Focus on SMEs and Islamic Banking [5 August 2025]
5.	CSR Day in Conjunction with MBSB's 75th Anniversary [14 August 2025]
6.	MBSB Agro ESG - A Hands-On Guide for Agriculture SMEs [21 August 2025]
7.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
8.	Anti Bribery and Corruption Training Awareness [6 October 2025]
9.	Top 5 Risk Facing Islamic Financial Institutions - A Board-Level View [5 December 2025]
Encik Ahlan Nasri bin Mohd Nasir	
1.	E-invoice session with Messrs Ernst & Young [8 January 2025]
2.	MBSB Workshop – Sustainability – An Evolution Driving Business Growth [15 October 2025]

Encik Azlan bin Abdullah

1.	Carbon Pricing & Markets: EU Insights and Implications for Malaysia, featuring Renato Roldão [17 February 2025]
2.	Corruption Awareness Session [2 July 2025]
3.	Strategic Shift in Financial Institutions - Focus on SMEs and Islamic Banking [5 August 2025]
4.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
5.	Anti Bribery and Corruption Training Awareness [6 October 2025]

Puan Norashikin binti Mohd Kassim

1.	E-invoice session with Messrs Ernst & Young [8 January 2025]
2.	Carbon Pricing & Markets: EU Insights and Implications for Malaysia, featuring Renato Roldão [17 February 2025]
3.	Ethical Finance ASEAN 2025 [19 February 2025]
4.	Breakfast Talk on E-Invoice & Service Tax Impact on Independent Director [15 April 2025]
5.	Tokenising Financial Assets – What Financial Leaders Need to Know [29 April 2025]
6.	Masterclass "Navigating High-Tech Financial Crime: Key Risks and Board Responsibilities" [6 May 2025]
7.	CPR (Cardiopulmonary Resuscitation) / AED (Automated External Defibrillator) [20 May 2025]
8.	Cybersecurity Power Play – How Leaders Can Lead the Digital Defence [12 June 2025]
9.	Corruption Awareness Session [2 July 2025]
10.	Strategic Shift in Financial Institutions - Focus on SMEs and Islamic Banking [5 August 2025]
11.	Asia School of Business: 10th Anniversary Celebrations -Executive Panels [13 August 2025]
12.	Navigating High-Tech Financial Crime: Board-Level Risks and Responsibilities [6 October 2025]
13.	Anti Bribery and Corruption Training Awareness [6 October 2025]
14.	FIDE CORE Modules A & B (Bank) Module A - 29 September 2025 – 2 October 2025 Module B – 13 October 2025 -16 October 2025
15.	Navigating Shareholder Expectations: Remuneration Sentiment Insights in Malaysian Financial Institutions [24 October 2025]
16.	Economic Outlook & Post-Budget 2026 Forum [13 November 2025]

** Trainings attended by Dato' Wan Kamaruzaman bin Wan Ahmad and Puan Lynette Yeow Su-Yin are disclosed in Section 1.3 above.*

INTERNAL CONTROL FRAMEWORK

Explanation on the application of the practice:

The Board of MBSB has the overall responsibility of maintaining a sound system of internal controls to safeguard shareholders' investment and the Company's assets and it is also responsible for risk oversight within the Group. Two (2) Board Committees, namely Group Board Audit Committee and Group Board Risk and Compliance Committee, assist the Board in discharging these duties.

The details of MBSB's risk management and internal control framework and the adequacy and effectiveness of the key risk management internal control processes are disclosed in the "Statement on Risk Management and Internal Control" section of the Integrated Annual Report 2025.

The details of the internal audit function are disclosed in the "Audit Committee's Report" section of the Integrated Annual Report 2025.

REMUNERATION

Explanation on the application of the practice:

Directors Remuneration Framework

The Board has established a Group Remuneration Framework for Non-Executive Directors which is tailored to support the strategies and long-term vision of the Group as well as provide adequate motivational incentive for Directors to pursue long-term growth and success of the Group. The GNRC is responsible to review the Directors' remuneration on an annual basis prior to making its recommendations to the Board for approval.

The GNRC is responsible to ensure that the Director's remuneration is competitive and aligns with the industry benchmark. The level of remuneration for the Directors of the Group shall be determined and recommended by the GNRC to the Board after giving due consideration of all relevant factors including the Directors' fiduciary duties, Directors' responsibilities, time commitments expected of the Directors, Company's performance, market conditions as well as the compensation level for comparable positions among other similar Malaysian public listed companies and similar sized financial institutions.

With the Companies Act, 2016, BNM guidelines and regulations, MCGG and MMLR in place, the duties and responsibilities of Board have become more onerous. As a result, the expectations of the Board and Board Committees have increased. The Board Committees of MBSB are also carrying out the oversight responsibilities, particularly in ensuring that the Group complies with BNM guidelines and regulations.

The GNRC may obtain advice from independent professional or other advice on the remuneration packages for the Board members or employees in a similar industry as provided in the TOR.

Reviewing the Board remuneration framework is one of the key focus areas identified by the Board for year 2025. In 2025, the GNRC had recommended and the Board had approved the appointment of Deloitte Business Advisory Sdn Bhd ("Deloitte") to review the board remuneration structure to ensure that the board remuneration structure of the Group commensurate with the Directors'

responsibilities and aligned with the industry practices. The last board remuneration review was conducted in 2019 by KPMG.

The GNRC assessed the Directors' fee structure and the benefits payable to the Directors of MBSB, MBSB Bank and MBSB IB for the period from the date of AGM in 2025 until the next AGM in 2026 before making recommendations to the respective Board. Following the recommendations from Deloitte, the GNRC and the respective Board had recommended an increase of the fees payable to the Directors and increase in meeting allowance for Chairman of Board and Chairmen of Board Committee.

The Board of MBSB, MBSB Bank and MBSB IB were of the view that it is fair and equitable that the Directors fees be revised upon considering the following:-

- i. The rising expectations in terms of the time commitment by Directors who are expected to play a more constructive and forward looking role
- ii. The increased Directors responsibilities and in recognition of the critical role of the Chairman and Board in providing oversight and strategic insights in the strategic decision making process.
- iii. To standardise Board Committee Fees across all Board Committees to ensure equitable recognition of the Directors' contributions.
- iv. The proposed increase in Directors' fees was made upon benchmarking against peer companies.

The Board of MBSB, MBSB Bank and MBSB IB also recommended a proposed adjustments on meeting allowances for Chairman of Board and Chairmen of Board Committee. The Chairman of Board and Chairmen of Board Committee will receive an additional meeting allowance of RM500 per meeting compared to ordinary members. This proposed adjustment recognises the greater responsibilities and leadership roles undertaken by the Chairmen in guiding the Board and its Committees effectively and reflects the additional time, preparation, and accountability required of these leadership positions.

The resolutions on Directors' fee structure and benefits payable to Directors of MBSB, MBSB Bank and MBSB IB were tabled at the respective Annual General Meeting and all resolutions were duly passed.

The Group Remuneration Framework for Non-Executive Directors was revised in June 2025 following the approval of Directors' fee structure and benefits payable to Directors.

In line with best corporate governance practice, the disclosure of the Directors' remuneration on a named basis has been made in the Annual Audited Financial Statements over the years.

The details of the remuneration received by each of the directors of MBSB in 2025 are set out in Practice 8.1 of this CG Report.

The details of the directors remuneration of MBSB Bank and MBSB IB for FY2025 are as follows:-

MBSB BANK

Name	Fees (RM'000)	Allowance (RM'000)	Benefit- in- Kind (RM'000)	Total (RM'000)
Dato' Wan Kamaruzaman bin Wan Ahmad	228	42	31	301
Datuk Azrulnizam bin Abdul Aziz	200	157	-	357
Encik Kamaruzaman bin Ahmad	200	161	-	361
Encik Arul Sothy Mylvaganam	182	91	-	273
Encik Ho Kwong Hoong	166	80	-	246
Encik Shawn Conrad Campos	172	117	-	289
Puan Azizah binti Wan Chik	95	66	-	161

MBSB IB

Name	Fees (RM'000)	Allowance (RM'000)	Benefit- in- Kind (RM'000)	Total (RM'000)
Datuk Mohd Nasir bin Ali	71	28	-	99
Dato' Wan Kamaruzaman bin Wan Ahmad	69	21	-	90
Encik Ahlan Nasri bin Mohd Nasir	112	65	6	183
Encik Azlan bin Abdullah	132	84	6	222
Puan Norashikin binti Mohd Kassim	122	79	12	213
Puan Lynette Yeow Su-Yin	87	42	-	129

All remuneration received by directors of MBSB, MBSB Bank and MBSB IB are fixed and non-deferred remuneration.

As for Management, the remuneration packages of the GCEO, the Group C- Suites and the Company Secretary of the Group will be reviewed by the GNRC, and the same will be recommended to the Board for decision. The remuneration of the GCEO, the Group C-Suites and the Company Secretary are based on their achievement of strategic initiatives established and approved by the Board

The details of the aggregate remuneration for the senior management of MBSB for FY2025 is disclosed in Practice 8.2 of the CG Report.

Employee Remuneration Framework

MBSB Group's remuneration philosophy aims to drive motivation and productivity by aligning salaries with individual performance, fostering a sound risk culture through accountable remuneration decisions, and ensuring internal equity based on job worth. This is supported by strong governance, risk-sensitive practices, and a focus on robust risk management, aligning with the Group's long-term strategy and business goals. The policy involves control functions to ensure adherence to risk limits and benchmarks compensation against market levels to attract talent while maintaining economic responsibility. Adhering to BNM guidelines, it promotes prudent risk-taking through variable remuneration linked to performance, adjusted for all risk types, and ensures that control function employees are rewarded independently from business lines.

The Remuneration Framework applies to persons as listed below:

1. Group Chief Executive Officer
2. Senior management, which is composed of all Senior Management positions that report directly to the GCEO ("C-Suites") and Subsidiary CEOs
3. MBSB Group employees who are identified as "other material risk takers" ("OMRT") which refers to an officer who is not a member of senior management and who can materially commit significant amounts resources or have significant impact on the risk profile of MBSB subsidiary and/or MBSB. The list of OMRT must be maintained and reviewed regularly.
4. All other employees of the MBSB Group.
5. However, for all non-executive employees governed by the Union, they shall follow the terms and conditions as stipulated in the Collective Agreement ("CA").

A typical total remuneration structure for employees of the MBSB Group comprises of base salary, benefits and/or bonus, increment/adjustment.

To ensure that the variable remuneration links to the long-term strategy of MBSB and reflects overall performance, a deferred payment method for bonus payment for senior management and OMRT is implemented. The payment mechanism is determined by the Management and approved by the Board. This mechanism is reviewed periodically.

This approach is also in line with BNM's Corporate Governance Policy, where the Remuneration Payout schedule must reflect the time horizon of risks and consider the potential for financial risks to crystallise over a more extended period of time.

In principle, adjustments to the vested and unvested portions of variable remuneration (through malus, clawbacks and other reversals or downward revaluations of awards) may be made in the event of bad performance of the business unit or institution attributable to the individual or if the employee commits serious legal, regulatory or internal policy breaches.

Quantitatively Disclosures

Remuneration information of GCEO, CEO of MBSB Bank and CEO of MBSB IB

The breakdown of the total amount of remuneration awarded to the GCEO and CEO of MBSB Bank for the financial year 2025 is as follows:

Name	Category	Cash-based (RM)	Total (RM)
Mohamed Rafe bin Mohamed Haneef (GCEO and CEO of MBSB Bank)	Fixed Remuneration	2,580,000	2,580,000
	Variable remuneration		
	• Non deferred	600,000	600,000
	• Deferred	400,000	400,000
	Total remuneration for FY2025	3,580,000	3,580,000

The breakdown of the total amount of remuneration awarded to the CEO of MBSB IB for the financial year 2025 is as follows:

Name	Category	Cash-based (RM)	Total (RM)
Dato' Seri DiRaja Nur Julie Gwee Ariff	Fixed Remuneration	1,061,178	1,061,178
	Variable remuneration		
	• Non deferred	225,000	225,000
	• Deferred	150,000	150,000
	Total remuneration for FY2025	1,436,178	1,436,178

Remuneration information of Senior Management

Senior Management of the MBSB Group are defined as members of Group Management Committee ("GMC").

The breakdown of total value of remuneration awarded to the Senior Management of the MBSB Group for FY2025 are as follows:

Total value of remuneration for FY2025	Unrestricted	Deferred
Fixed Remuneration		
- Cash-based	13,582,304 (14 headcounts)	-
- Shares and share-linked instruments	-	-
- Other	-	-
Variable remuneration		
- Cash-based	2,402,220 (10 headcounts)	1,294,680 (10 headcount)
- Shares and share-linked instruments	-	-
- Other	-	-

Category	No of officer	Total Amount (RM)
Guaranteed bonuses	-	-
Sign-on awards/bonus	-	-
Severance payment	-	-

Remuneration information of OMRT

OMRT of the MBSB Group are defined as OMRT refer to officers who are not members of SMT who can materially commit significant amounts of resources or have significant impact on the risk profile of MBSB subsidiary and/or MBSB.

The total value of remuneration awarded to the OMRT of the MBSB Group for FY2025 are as follows:

Total value of remuneration for FY2025	Unrestricted	Deferred
Fixed Remuneration		
- Cash-based	-	-
- Shares and share-linked instruments	-	-
- Other	-	-
Variable remuneration		
- Cash-based	-	-
- Shares and share-linked instruments	-	-
- Other	-	-

Category	No of officer	Total Amount (RM)
Guaranteed bonuses	-	-
Sign-on awards/bonus	-	-
Severance payment	-	-

