

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 1171  
**COMPANY NAME** : MBSB Berhad (formerly known as Malaysia Building Society Berhad)  
**FINANCIAL YEAR** : December 31, 2024

### **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors (the "Board") sets the tone from the top and is ultimately responsible for overseeing the conduct of MBSB Berhad (formerly known as Malaysia Building Society 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: <a href="https://www.mbsb.com.my/Board_Charter.pdf">https://www.mbsb.com.my/Board_Charter.pdf</a>.</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>Following the completion of the acquisition of Malaysian Industrial Development Berhad ("MIDF"), the Board has established a new Group Operating Model and Governance Framework for the enlarged Group 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> <p><b><u>MBSB Board Committees</u></b></p> <p><b>1. Group Board Audit Committee (“GBAC”)</b></p> <p>In October 2024, the Audit Committee has been renamed to Group Board Audit Committee (“GBAC”).</p> <p>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.</p> <p><b>2. Group Board Risk and Compliance Committee (“GBRCC”)</b></p> <p>In October 2024, the Risk Management Committee has been renamed to Group Board Risk and Compliance Committee (“GBRCC”).</p> <p>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.</p> <p><b>3. Group Nominating and Remuneration Committee (“GNRC”)</b></p> <p>Based on the new Board Governance Framework for the enlarged Group, the existing nominating and remuneration committee at the subsidiaries level has been disbanded and the function of nominating and remuneration committee for the group has been consolidated at MBSB level. Hence, the Nominating and Remuneration Committee has been renamed to Group Nominating and Remuneration Committee (“GNRC”) effective 1 August 2024.</p> <p>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.</p>
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	<p>The GNRC is also responsible for reviewing, appointing, removing and determining the remuneration package for the Group Key Senior Management, Key Senior Management of the subsidiaries and Company Secretary. Also, the GNRC reviews the remuneration framework for the Group.</p> <p>The activities of GNRC in 2024 include the following:</p> <ol style="list-style-type: none"> <li>1. Matters related to the Board and Board Committees of the Group <ul style="list-style-type: none"> <li>• Reviewed and recommended the proposed Directors’ Fees, remuneration and benefits.</li> <li>• Reviewed and recommended Directors and Officers Takaful Coverage.</li> <li>• Reviewed the Board Effectiveness Evaluation Results for year 2023.</li> <li>• Reviewed the Fit and Proper Assessment for all directors</li> <li>• Reviewed the Independent Directors Assessment for Independent Directors.</li> <li>• Reviewed and recommended the Directors Annual Training Plan 2024.</li> <li>• Reviewed and recommended the Board and Board Committees composition of the MBSB Group.</li> <li>• Reviewed and recommended the Directors remuneration and benefit</li> <li>• Reviewed and recommended the Directors Retirement by rotation at the AGM 2024.</li> <li>• Reviewed and recommended the appointment of new directors.</li> <li>• Reviewed and recommended the Terms of Reference of GNRC</li> <li>• Reviewed and recommended the appointment of external consultant for Board Effectiveness Evaluation for 2024 and Board Remuneration Review.</li> </ul> </li> <li>2. Matters related to C-Suites and Key Senior Management of the Group <ul style="list-style-type: none"> <li>• Reviewed the Fit and Proper Assessments of Group Chief Executive Officer, C-Suites and Company Secretaries for year 2024.</li> <li>• Reviewed and recommended the Performance Assessment and Rewards of Group Chief Executive Officer, C-Suites and Company Secretaries for year 2023.</li> <li>• Reviewed and recommended the KPI of Group Chief Executive Officer</li> <li>• Reviewed and recommended the appointment of new Group Chief Financial Officer, Group Chief Wholesale Banking Officer, Group Chief Commercial Banking Officer, Group Chief Shariah and Sustainability Officer and Group Chief Credit Officer.</li> <li>• Reviewed and recommended the appointment of new Chief Executive Officer of MIDF Amanah Investment Bank Berhad.</li> <li>• Reviewed and recommended the contract renewal for C-Suites Officers of the Group.</li> <li>• Reviewed the progress on succession planning for C-Suites.</li> </ul> </li> <li>3. Matters related to employees of the Group</li> </ol>
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	<ul style="list-style-type: none"> <li>• Reviewed and recommended Staff Group Term Takaful and Group Personal Accident Takaful Coverage</li> <li>• Reviewed and recommended the Staff Performance Rewards for the Year 2023 and increment for year 2024.</li> <li>• Reviewed and recommend consultant to implement culture integration project, which was part of integration initiatives for the MBSB Group.</li> <li>• Reviewed and recommended the proposed benefit harmonization for the MBSB Group</li> <li>• Reviewed and recommended the appointment of consultant to conduct Divisional Team Building Programme for the MBSB Group.</li> </ul> <p>4. Matters related to organization and governance structure</p> <ul style="list-style-type: none"> <li>• Reviewed and recommended the Group Organizational Structure for the MBSB Group</li> </ul> <p><b><u>Board responsibility</u></b></p> <p>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.</p> <p>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 was reviewed and revised in May 2024 to align the authority with new Governance Framework, outline the Board's decision rights for both qualitative and quantitative matters and delegate authority based on reasonable parameters and good practices.</p> <p>The MRB document includes the following areas:-</p> <ol style="list-style-type: none"> <li>1. Corporate Matters</li> <li>2. Strategy and Budget</li> <li>3. Governance and Policy</li> <li>4. Compliance, Risk and Assurance</li> <li>5. Credit Facilities and Product Management</li> <li>6. Corporate Banking</li> <li>7. Commercial Banking</li> <li>8. Consumer Banking</li> <li>9. SME Financing</li> <li>10. Investment Banking</li> <li>11. Asset Management</li> <li>12. Shariah Matters</li> <li>13. Accounting and Finance</li> <li>14. Procurement</li> <li>15. Information Technology and Projects</li> </ol>
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	<p>16. Board Membership and Senior Management Appointments 17. Remuneration 18. Litigation and Arbitration</p> <p>The matters reserved for MBSB Board include, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• Reviewing and approving strategic and business plan and other initiatives which would have a material impact to the Group;</li> <li>• Overseeing the Management’s implementation of the Group’s strategic objectives and its conduct and performance;</li> <li>• 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;</li> <li>• Ensure there is a reliable and transparent financial reporting process within the Group</li> <li>• Reviewing and approving annual financial statements and quarterly financial results prior to release to Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and the relevant regulators;</li> <li>• Reviewing and adopting the strategies on the promotion of sustainability through appropriate environmental, social and governance (“ESG”) consideration in the Group’s businesses;</li> <li>• 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;</li> <li>• Promoting, together with Senior Management, a sound corporate culture within the Group which reinforces integrity, anti-corruption and bribery, ethical, prudent and professional behaviour;</li> <li>• 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;</li> <li>• Serving as the ultimate approving authority for all significant financial expenditure;</li> <li>• Approving related party transactions;</li> <li>• 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.</li> <li>• Grant of loans / financings to companies within the MBSB Group</li> <li>• Group scorecard and KPI setting</li> <li>• Guarantees, Letter of Comfort/Support and/or Undertakings issued on behalf of companies within the Group</li> </ul> <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”)</p>
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	<p>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"> <li>i. Approve the appointment of Head of IGU;</li> <li>ii. Approve IGU’s yearly plans or programs on anti-bribery, corruption and abuse of power;</li> <li>iii. Approve the establishment of policies which cover all high-risk areas in relation to conduct of integrity, bribery, corruption and abuse of power;</li> <li>iv. Ensure the highest level of integrity and ethics are practised within the Group;</li> <li>v. Comply with all applicable laws and regulatory requirements on anti-bribery, corruption and abuse of power;</li> <li>vi. Oversee the management of risks in relation to bribery, corruption and abuse of power;</li> <li>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;</li> <li>viii. Ensure that reviews by the Internal Audit function are conducted on anti-bribery, corruption and abuse of power programs;</li> <li>ix. Ensure a separate IGU structure answers directly to the Board (via GBRCC) so issues of pressure, isolation, rejection and unreasonable action do not arise in the Group;</li> <li>x. Monitor the IGU's performance through its periodic reporting;</li> <li>xi. Issue commands to the IGU in an effort to keep it relevant as an entity responsible for preserving integrity in the Group;</li> <li>xii. Ensure all bribery, corruption and abuse of power complaints are promptly escalated to the IGU Officer for investigation;</li> <li>xiii. Board shall decide 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.</li> <li>xiv. 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</li> <li>xv. Attend related training on ethics, integrity, anti-bribery, corruption and abuse of power once every two (2) years.</li> </ol> <p>During the year under review, MBSB had in 2024 received a notable recognition from the industry namely ‘Industry Excellence Awards’ at the Malaysia Industry Awards (MINDA) 2024 and ‘Highest Growth in Profit After Tax Over Three Years’ award at The Edge Billion Ringgit Club.</p> <p>The Board of MBSB, in consultation with the Board of the operating subsidiaries i.e. MBSB Bank Berhad, Malaysian Industrial Development Finance Berhad (“MIDF”), MIDF Amanah Investment Bank Berhad (“MIDF IB”) and MIDF Amanah Asset Management Berhad (“MIDF AM”) (hereinafter known as “Operating Subsidiaries”), continue to review the strategic</p>
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	<p>direction to ensure that the Group achieves its initiatives as set out in the three-year Strategic Business Plan, “FLIGHT26”.</p> <p>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.</p> <p>In addition, the Board also received updates and monitors the various initiatives under FLIGHT26.</p> <p>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> <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, continue to enhance the digital offerings to improve efficiency and offer greater value including enhancing user experience to meet the evolving needs of both customers and merchants.</p> <p>During the year, several new products were introduced such as gold investing with Prime Gold-i, Term Investment Account-i, takaful protection with guaranteed acceptance with M Shield and etc. Various collaborations with strategic partners were entered into to provide innovative product offerings to the customers to become their preferred banking partner. MBSB Bank continues its efforts to strengthen CASA and retain the Deposit growth base. The digital service suite for SMEs is expanded with the new Online Business Current Account and the Retailer Dashboard, which aim to simplify operations and empowers customers to focus on growth.</p> <p>The Board received regular updates on the economic / industry outlook during meetings (from MIDF Research), 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, 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 &amp;</p>
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	<p>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>During the year under review, the Board has approved the appointment of Encik Shahnaz Jammal (“Encik Shahnaz”) as the new Group Chief Financial Officer on 1 June 2024. Encik Shahnaz was also appointed as Chief Financial Officer of MBSB Bank. Encik Shahnaz has over 20 years of banking experience covering mergers &amp; acquisitions advisory, risk advisory, trading, risk management, corporate and investment banking, capital and balance sheet management, and finance.</p> <p>The Board also approved the appointment of several new key senior management position i.e. Group Chief Shariah and Sustainability Officer (“GCSSO”), Group Chief Consumer Banking Officer, Group Chief Wholesale Banking Officer, Group Chief Commercial Banking Officer and Group Chief Credit Officer.</p> <p>Encik Ashraf Gomma Ali (“Encik Ashraf”), the GCSSO was appointed on 1 August 2024. The key responsibilities of GCSSO are to provide strategic leadership and direction in matters related to Islamic banking and Shariah compliance including sustainability initiatives for the MBSB Group. Encik Ashraf has more than 18 years’ experience in Islamic Finance and exhibited an impressive understanding of Shariah matters and has track record of introducing innovative financial products, expertise in Islamic banking principles, leadership skills and also integrating sustainability in decision making process of Islamic Banks.</p> <p>The appointment of Encik Usman Ghouse as Group Chief Consumer Banking Officer, Encik Kuldeep Singh as Group Chief Wholesale Banking Officer, Encik Che Nazari Che Azid as Group Chief Commercial Banking Officer and Encik Jainuddin Ismail as Group Chief Credit 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. 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. The outcome from the assessment was presented in the Materiality Matrix, which was validated and endorsed by the Board.</p>
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	<p>The materiality assessment process and Materiality Matrix are disclosed in MBSB Sustainability Report 2024.</p> <p>The Board also takes responsibility for the governance of sustainability and sustainability risk oversight. During the year, the Board has approved 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 approved 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"> <li>1. Assumes ultimate responsibility for managing sustainability matters</li> <li>2. Ensures corporate strategy considers sustainability</li> <li>3. Approves corporate strategy and key performance indicators</li> <li>4. Approves policies on sustainability matters</li> </ol> <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 2024 are as follows: -</p> <table border="1" data-bbox="497 1368 1407 2031"> <thead> <tr> <th data-bbox="497 1368 687 1406">Areas</th><th data-bbox="687 1368 1407 1406">Key topics/ strategies</th></tr> </thead> <tbody> <tr> <td data-bbox="497 1406 687 2031">Strategy</td><td data-bbox="687 1406 1407 2031"> <ul style="list-style-type: none"> <li>• Budget and Business Plan, business plan initiatives and KPI for year 2025 for the MBSB Group</li> <li>• Initiatives on post-acquisition integration of the enlarged MBSB Group</li> <li>• Group Organizational Structure</li> <li>• Disposal of non-core assets</li> <li>• Disposal of MBSB’s residual asset and liability (loans and non-financial subsidiaries) by way of a scheme of arrangement</li> <li>• Group Capital Strategy</li> <li>• Climate Risk Management and Net Zero Strategy</li> <li>• MBSB Group Sustainability Framework</li> <li>• Quarterly Report on Sustainability Initiatives</li> <li>• MBSB Sustainable and Transition Finance Framework</li> <li>• Monthly Strategy &amp; Business Performance</li> <li>• Monthly Financial Performance</li> <li>• Quarterly Financial Results</li> </ul> </td></tr> </tbody> </table>	Areas	Key topics/ strategies	Strategy	<ul style="list-style-type: none"> <li>• Budget and Business Plan, business plan initiatives and KPI for year 2025 for the MBSB Group</li> <li>• Initiatives on post-acquisition integration of the enlarged MBSB Group</li> <li>• Group Organizational Structure</li> <li>• Disposal of non-core assets</li> <li>• Disposal of MBSB’s residual asset and liability (loans and non-financial subsidiaries) by way of a scheme of arrangement</li> <li>• Group Capital Strategy</li> <li>• Climate Risk Management and Net Zero Strategy</li> <li>• MBSB Group Sustainability Framework</li> <li>• Quarterly Report on Sustainability Initiatives</li> <li>• MBSB Sustainable and Transition Finance Framework</li> <li>• Monthly Strategy &amp; Business Performance</li> <li>• Monthly Financial Performance</li> <li>• Quarterly Financial Results</li> </ul>
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		<ul style="list-style-type: none"> <li>• Audited Financial Statement</li> <li>• Declaration of Dividend</li> <li>• Change of Name</li> </ul>
	Risk, Compliance, Oversight	<ul style="list-style-type: none"> <li>• Composite Risk Rating findings and the action plan</li> <li>• Annual Plan for 2024 for Risk, Compliance, Internal Audit and Integrity and Governance Unit (IGU).</li> <li>• Monthly Compliance Report</li> <li>• Monthly Risk Management Report</li> <li>• Monthly Group People &amp; Culture Division Report</li> <li>• Quarterly Internal Audit Report</li> <li>• Quarterly IGU Report</li> <li>• Quarterly Risk Report</li> <li>• Reappointment of external auditors</li> <li>• Related Party Transactions</li> <li>• Recovery Plan</li> <li>• Group Risk Appetite</li> <li>• Group Asset &amp; Liability Declaration Policy</li> <li>• Risk Posture and Group Sector Limit</li> <li>• Director's interest in Shares</li> </ul>
	Governance	<ul style="list-style-type: none"> <li>• Board and Board Committees composition of the MBSB Group entities</li> <li>• Re-appointment and re-election of directors.</li> <li>• Board remuneration</li> <li>• Board Annual Training Plan</li> <li>• Matters Reserved for the Board and Approving Authority Development</li> <li>• Group Governance Framework and Group Operating Framework</li> <li>• Group policy harmonization initiatives post-acquisition.</li> <li>• Performance assessment and rewards 2023 for Key Management Personnel.</li> <li>• Board Effectiveness Evaluation for year 2023</li> <li>• Fit and Proper Assessment for Directors for year 2024</li> <li>• Fit and Proper Assessment for GCEO, C-Suites and Company Secretaries for year 2024</li> <li>• Independent Directors Assessment</li> <li>• MBSB Integrated Report 2023, Sustainability Report 2023 and Corporate Governance Report 2023</li> <li>• Terms of Reference of Board Committees and Management Committees</li> <li>• Appointment of Group Chief Financial Officer</li> <li>• Appointment of Group Chief Shariah and Sustainability Officer</li> <li>• Appointment of Group Chief Wholesale Banking Officer</li> <li>• Appointment of Group Chief Commercial Banking Officer</li> </ul>

		<ul style="list-style-type: none"><li>• Appointment of Group Chief Consumer Banking Officer</li><li>• Appointment of Group Chief Credit Officer</li><li>• Renewal contract for Key Management Personnel</li><li>• Succession Planning for Key Management Personnel and Company Secretary</li><li>• Directors and Officers Liability Takaful Coverage.</li><li>• Group Term Takaful and Group Personal Accident Takaful Coverage for employees of the MBSB Group</li><li>• Benefit Harmonization for employees of the MBSB Group</li><li>• Appointment of external consultant for Board Effectiveness Evaluation for 2024 and Board Remuneration Review</li></ul>
	<p><b><u>Group Chief Executive Officer (“GCEO”) Responsibility</u></b></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 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 :	
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 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Dato' Wan Kamaruzaman Bin Wan Ahmad ("Dato' Wan") was appointed as the Chairman/ Non-Independent Non-Executive Director of MBSB and MBSB Bank on 24 January 2024. Dato' Wan is a nominee of the Employees Provident Fund Board.</p> <p>Following the appointment of the new Chairman, Puan Lynette, who was Acting Chairman on interim basis, was redesignated as the Senior Independent Non-Executive Director with effect from 24 January 2024.</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 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 an 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 2024.</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: <a href="https://www.mbsb.com.my/Board_Charter.pdf">https://www.mbsb.com.my/Board_Charter.pdf</a>.</p>

<b>Explanation for departure</b>	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
<b>Measure</b>	:			
<b>Timeframe</b>	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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 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: <a href="https://www.mbsb.com.my/Board_Charter.pdf">https://www.mbsb.com.my/Board_Charter.pdf</a>.</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>
<b>Explanation for departure</b>	:	

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

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



### Intended Outcome

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

### Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	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.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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 Practicing 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><b><u>Company Secretaries Responsibility</u></b></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>

	<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.</p> <p>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").</p> <p>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.</p> <p>The Company Secretaries also assist the GNRC in ensuring the board composition within the MBSB Group is in alignment to ensure that strategies and decisions at Group level is communicated effectively to the subsidiary companies.</p> <p>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.</p> <p><b><u>2024 activities</u></b></p> <p>The Company Secretaries have assisted the Board and GNRC in the appointment of new director i.e. Encik Ho Kwong Hoong. Encik Ho Kwong Hoong is also a director of MBSB Bank.</p> <p>The Company Secretaries also assisted the Board and the GNRC in reappointment of directors, re-election of directors, board remuneration review, annual training plan and Board and Board Committees' composition review for the Group.</p> <p>The Company Secretaries also assist the Board and the GNRC in monitoring the Board Skill Matrix and diversity and identify suitable candidates for appointment to ensure smooth transition for retiring directors.</p> <p>The Company Secretaries also arranged and ensure that all directors attended the Mandatory Accreditation Programme ("MAP") Part II : Leading for Impact (LIP). As at 31 December 2024, all directors of MBSB had attended the MAP Part II.</p>
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	<p>The Company Secretaries In 2024, the Company Secretaries updated the Board with the amendments to the Main Market Listing Requirements in relation to sustainability reporting requirements, general meeting requirements and issuance of new securities.</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 2024, the Annual General Meeting was held on 6 June 2024. 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 2024.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.6

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 not fulfilling the agreed timeline for submission of papers, 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. To this end, 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.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 2.1.3 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 to be reviewed every two (2) years or as and when required. The Board Charter was revised in 2024 to incorporate the changes to the Board Committees.</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: <a href="https://www.mbsb.com.my/corporate_governance.html">https://www.mbsb.com.my/corporate_governance.html</a>.</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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Directors observe the Group Code of Ethics when performing their duties and fully subscribe to the high ethical standards considering all stakeholders' interest. All Directors are always required to act honestly and use reasonable care and diligence in discharging their duties and avoiding any conflict of interest or potential/ perceived conflict of interest.</p> <p>The Board have established the Group Code of Ethics for Directors Policy in line with the practices in the MCCG. The Directors observe the Code of Ethics in the performance of their duties and are fully subscribed to highly ethical standards considering the interest of all stakeholders. The Group Code of Ethics for Directors Policy 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 <a href="https://www.mbsb.com.my/Group_Code_of_Ethics_Directors.pdf">https://www.mbsb.com.my/Group_Code_of_Ethics_Directors.pdf</a>.</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 and actual conflict of interest. A Director who is interested in certain transactions 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 reviewed in 2024 in line with the Guidance on Conflict of Interest issued by Bursa Malaysia.</p> <p>In FY2024, the GBAC confirms that there was no COI reported for review (excluding the transaction entered by the MBSB Group involving related parties).</p>

	<p>The Group has also established the Code of Ethics and Conduct for Employees (“COEC”), 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.</p> <p>The COEC is to be reviewed every two (2) years or as and when required. The COEC was reviewed in September 2024 as part of the post-merger’s policy harmonization exercise and has been renamed to Group Code of Ethics and Conduct for Employees (“GCOEC”).</p> <p>To ensure adherence to the guidelines, the Management of the MBSB Group has taken steps to establish an effective monitoring process. All staff is 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:</p> <ol style="list-style-type: none"> <li>1. Code of Ethics - outlines a set of principles that guides decision-making.</li> <li>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.</li> </ol> <p>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”.</p> <p>MBSB Group also adopts No Gift Policy, which is part of the broader Gift, Entertainment and Corporate Hospitality Policy introduced to promote ethical conduct and transparency across all staff, Directors, and Shariah Advisory Committee (“SAC”) members. The policy generally prohibits accepting or giving gifts, entertainment, or hospitality that could influence business decisions and maintain Integrity.</p> <p>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.</p>
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	<p>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.</p> <p>MBSB Group has adopted Group Anti-Bribery and Corruption Policy, which complies with the 'Guideline for the Management of Integrity &amp; 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 &amp; 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.</p> <p>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 GBRCC/Board Risk Management &amp; Compliance Committee of Operating Subsidiaries) on integrity issues and activities relating to adequate procedures. The IGU Officer reports to Group Chief Compliance Officer on matters regarding integrity issues and activities carried out in relation to adequate procedures within the MBSB Group.</p> <p>The Group Anti-Bribery and Corruption Policy was reviewed in 2024 for adoption by the Group. Integrity &amp; 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.</p> <p>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.</p> <p>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.</p> <p>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</p>
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	<p>absence of contract agreement, the Anti-Bribery and Corruption Declaration Form.</p> <p>As part of the MBSB Group’s ongoing commitment to ethical excellence and corporate integrity, the MBSB Group held a “Corporate Integrity Pledge Ceremony” ceremony in November 2024. The pledge recitation was led by the GCEO and the pledge commitment was subsequently signed by GCEO symbolizing a commitment to combat corruption. The event was witnessed by KPKPj Samsul Bin Salip, MACC Deputy Director of the Community Division and attended by the esteemed members of Senior Management and staff.</p> <p>It is also a requirement for all MBSB Group employees to complete e-learning modules on Integrity and Governance on annual basis.</p> <p>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.</p> <p>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 Anti-Money Laundering, Countering Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) Policy and the Group Anti-Money Laundering, Countering Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) Procedures were last revised in 2024 and 2022, respectively.</p> <p>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 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>Group Corporate Disclosure Policy was established to ensure fair and orderly trading of securities. The officers and personnel privy to confidential information are strictly prohibited from dealing directly or indirectly in the Company’s securities unless the information had been</p>
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	publicly disclosed at least one (1) full market day from the announcement date.	
	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.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

Application	:	Applied								
Explanation on application of the practice	:	<p>As highlighted in Practice 3.1, 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 employees 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 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><tr><th>Complaint against</th><th>Report to</th></tr><tr><td><ul style="list-style-type: none"><li>Chairman of the GBAC/BAC</li></ul></td><td>Chairman of the Board</td></tr><tr><td><ul style="list-style-type: none"><li>Chairman of the Board</li><li>Members of the Board of MBSB Bank or MBSB (other than Chairman of the GBAC/BAC)</li><li>Members of SAC</li><li>CEO</li><li>Employees</li><li>Trainee</li></ul></td><td>Chairman of the GBAC/BAC</td></tr><tr><td><ul style="list-style-type: none"><li>Chairman of the Board and Chairman of the GBAC/BAC</li></ul></td><td>Senior Independent Non-Executive Director (SINED)</td></tr></table> <p>Whistleblowing by members of the public or any external party (including those received via the Customer Experience Management</p>	Complaint against	Report to	<ul style="list-style-type: none"><li>Chairman of the GBAC/BAC</li></ul>	Chairman of the Board	<ul style="list-style-type: none"><li>Chairman of the Board</li><li>Members of the Board of MBSB Bank or MBSB (other than Chairman of the GBAC/BAC)</li><li>Members of SAC</li><li>CEO</li><li>Employees</li><li>Trainee</li></ul>	Chairman of the GBAC/BAC	<ul style="list-style-type: none"><li>Chairman of the Board and Chairman of the GBAC/BAC</li></ul>	Senior Independent Non-Executive Director (SINED)
Complaint against	Report to									
<ul style="list-style-type: none"><li>Chairman of the GBAC/BAC</li></ul>	Chairman of the Board									
<ul style="list-style-type: none"><li>Chairman of the Board</li><li>Members of the Board of MBSB Bank or MBSB (other than Chairman of the GBAC/BAC)</li><li>Members of SAC</li><li>CEO</li><li>Employees</li><li>Trainee</li></ul>	Chairman of the GBAC/BAC									
<ul style="list-style-type: none"><li>Chairman of the Board and Chairman of the GBAC/BAC</li></ul>	Senior Independent Non-Executive Director (SINED)									

	<p>Department) will be channelled to the designated persons. The 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 <a href="https://www.mbsb.com.my/whistleblower_policy.html">https://www.mbsb.com.my/whistleblower_policy.html</a> (MBSB), <a href="https://www.midf.com.my/whistleblowing">https://www.midf.com.my/whistleblowing</a> (MIDF) and <a href="https://www.mbsbbank.com/whistleblowing-policy">https://www.mbsbbank.com/whistleblowing-policy</a> (MBSB Bank).</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.1

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>MBSB has refreshed its Sustainability Governance in 2023 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"><li>• Review and approve the strategies on promotion of sustainability and climate risk management through appropriate ESG consideration in the Group's business.</li><li>• Oversee and provide guidance on the development and expansion of the Group's sustainable financing.</li><li>• Ensure incorporation of sustainability and climate risk management within the Group's corporate strategy.</li><li>• Approve the Group's sustainability and climate risk management metrics, key performance indicators, frameworks and policies.</li><li>• Assume ultimate responsibility for managing the Group's sustainability and climate risk management matters.</li></ul> <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 market trends. These efforts reflect our dedication to remaining</p>



	<p>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.</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-related risks. GBRCC is also responsible to oversee the Group’s sustainability and climate-related risk management to ensure risk management process is in place and functioning.</p> <p>At the group management level, the Group Management Committee (“GMC”), chaired by Group Chief Executive Officer (“GCEO”) is responsible to review and recommend the Group’s sustainability matters and climate-related risks management strategies, frameworks, and policies to the GBRCC and the Board for approval. GMC is responsible for, as well as overseeing the progress of sustainability commitments across the Group. GMC is supported by Group Sustainability Council (“GSC”), which is co-chaired by Group Shariah and Sustainability Officer and Group Chief Risk Officer. GSC is responsible to ensure that sustainability and climate-related risk management strategy has been embedded within the Group’s business overall strategy. Implementation of the Group’s sustainability and climate-related risk strategy is executed by respective sustainability champions across the Group.</p>	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

### Intended Outcome

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

### Practice 4.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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. 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 2024, MBSB continued to build the</p>

	<p>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 an inaugural Sustainability Awareness Day was hosted on 9 October 2024 with the theme, “Fulfilling Amanah with Adab”.</p> <p>In 2024, the Board approved four key sustainability commitments as follows:</p> <ul style="list-style-type: none"> <li>(i) Catalyse RM10 billion in sustainable and transition finance by 2026;</li> <li>(ii) Achieve a Carbon Neutral for Scope 1 and Scope 2 by 2030;</li> <li>(iii) Achieve Net Zero by 2050;</li> <li>(iv) Achieve 50,000 volunteer hours via various social and environmental initiatives</li> </ul> <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.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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 Council and Group Chief Risk Officer to the relevant committees and the Board.</p> <p>In 2024, various sustainability and climate-related training sessions were conducted across the Group, including Board and Senior Management, business divisions, and support functions. In 2024, MBSB hosted trainings for its Board and Senior Management, titled, “MBSB Group Board &amp; Management Training: How Can MBSB Group Navigate the Growing Sustainability and Climate Landscape?” and “Board’s Strategic Oversight and Stewardship in Sustainability and Climate Risk”.</p> <p>Various capacity buildings were organized across the Group. The trainings covered topics such as the RM Sector Playbook, Green Finance, CCPT assessment, TCFD, Scope 3 Financed Emissions, 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>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

The 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In relation to MBSB's Board Effectiveness Evaluation ("BEE") exercise for financial year ended 31 December 2024 which 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 oversights areas with regards to sustainability:</p> <ul style="list-style-type: none"><li>• Navigation of Environmental, Social and Governance ("ESG") imperatives in alignment with regulatory and industry standards</li><li>• Integration of climate related considerations in operations</li><li>• Resilience of risk framework in response to ESG risks</li></ul> <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.</p> <p>Within the realm of remuneration, the Board adopts a philosophy that seeks to hold Non-Executive Directors accountable for their resolve to 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>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 4.5- Step Up

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

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>In August 2024, MBSB appointed a Group Chief Shariah and Sustainability Officer (GCSO) to oversee 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 review the succession plan for the Board and key senior management personnel.</p> <p>As part of Board succession planning, the GNRC reviewed the composition of the Board and Board Committees of the Group together with the Board Skill Matrix and identified the selection criteria for the appointment of a new directors i.e. banking/finance/compliance/human resource/ sustainability and also considered gender diversity for the Board of MBSB.</p> <p>The GNRC had identified, evaluated and assessed the fit and proper criteria and the suitability of the candidate to be appointed as director of MBSB and had accordingly recommended to appoint Encik Ho Kwong Hoong ("Encik Ho") to the Board of MBSB. He has more than 37 years of experience in banking, investment banking and risk management. Encik Ho is also an Independent Director at MBSB Bank. The appointment of Encik Ho as a Director of MBSB would facilitate better integration, communication and alignment on the Group's strategy and decision-making.</p> <p>The GNRC had also deliberated and recommended for Encik Ho to be appointed as a new member of the GNRC to ensure that there would be representation from MBSB Bank at the Committee level.</p> <p>The GNRC also agreed that Encik Ho is suitable and the right person to fill the role as a member of GBRCC of MBSB. In addition, his position as Chairman of Board Risk Management and Compliance Committee ("BRMCC") of MBSB Bank and his strong background in risk management would bring alignment on risk matters between the Group and MBSB Bank.</p> <p>Encik Ho was appointed as an Independent Non-Executive Director of MBSB effective 1 November 2024. He was also appointed as member of GBRCC and GNRC effective 1 November 2024.</p>

Tan Sri Abdul Rahman bin Mamat (“Tan Sri Rahman”) tenure as an Independent Director of the MBSB Group had reached 9 years at the end of December 2024. Tan Sri Rahman was first appointed as a director of Malaysian Industrial Development Finance Berhad (“MIDF”) on 1 January 2016. He stepped down as Independent Non-Executive Director of MBSB on 31 December 2024, in line with the MCCG recommendation in limiting the tenure of an independent director to not exceeding a cumulative term limit of 9 years. Tan Sri Rahman was redesignated as Non-Independent Non-Executive Director of MIDF with effect from 1 January 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.

Tan Sri Abd Rahman bin Mamat (“Tan Sri Rahman”) was appointed as Independent Non-Executive Director of the Company on 5 December 2023.

Datuk Yasmin binti Mahmood (“Datuk Yasmin”) was appointed as Non-Independent Non-Executive Director of the Company on 5 December 2023.

Dato’ Wan Kamaruzaman bin Wan Ahmad (“Dato’ Wan”) was appointed as Chairman/ Non-Independent Non-Executive Director of the Company on 24 January 2024.

	<p>Tan Sri Rahman, Datuk Yasmin and Dato' Wan had held office until the conclusion of the AGM in 2024 and being eligible, had stood for re-election in accordance with Clause 90 of the Company's Constitution. Tan Sri Rahman, Datuk Yasmin and Dato' Wan had offered themselves for re-election at the AGM in 2024.</p> <p>Pursuant to Clause 100 of the Company's Constitution, Puan Lynette Yeow Su-Yin ("Puan Lynette") was due for retirement by rotation at the AGM in 2024 and being eligible, had stood for re-election.</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 NRC meeting. The Board and NRC 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 four directors who had offered themselves for re-election at the AGM in 2024, were duly re-elected.</p> <p>Please refer to the explanation in Practice 5.7 for more information.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 5.2

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

<b>Application</b>	:	Applied														
<b>Explanation on application of the practice</b>	:	<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 2024, the Board of MBSB was made up of 71.4% Independent Directors.</p> <table><tr><th rowspan="2">Designation</th><th colspan="2">MBSB</th></tr><tr><th>Number of Directors</th><th>Percentage (%)</th></tr><tr><td>Non-Independent Non-Executive Director</td><td>2</td><td>28.6</td></tr><tr><td>Independent Non-Executive Director</td><td>5</td><td>71.4</td></tr><tr><td>Total</td><td>7</td><td>100.00</td></tr></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"><li>• Fulfilment of all criteria under the definition of Independent Director as stated in BNM Corporate Governance Policy and Bursa Malaysia's MMLR;</li><li>• Ability to function as a check and balance and bring an element of objectivity to the Board;</li><li>• Ability to constantly challenge the Management effectively and constructively;</li><li>• Actively participate and provide independent advice in all Board/Board Committees discussions; and</li><li>• Ability to act in the best interests of the Company and the Group.</li></ul> <p>The Board was satisfied with the results of the FY2024 independence assessment of the Directors. The outcome indicated that the</p>	Designation	MBSB		Number of Directors	Percentage (%)	Non-Independent Non-Executive Director	2	28.6	Independent Non-Executive Director	5	71.4	Total	7	100.00
Designation	MBSB															
	Number of Directors	Percentage (%)														
Non-Independent Non-Executive Director	2	28.6														
Independent Non-Executive Director	5	71.4														
Total	7	100.00														

	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.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.3**

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

**Intended Outcome**

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

**Practice 5.4 - Step Up**

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

*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.*

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

### Intended Outcome

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

### Practice 5.5

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board 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><b><u>Board appointment</u></b></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"><li>1. Identification of Skills and Qualifications</li><li>2. Selection of Candidates</li><li>3. Fit and Proper Assessment on Candidates</li><li>4. GNRC deliberation</li><li>5. Interaction with candidates</li><li>6. Recommendation for Board's approval</li></ol> <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 recommending them 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>



	<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)</p> <p>Encik Ho Kwong Hoong, the newly appointed director in 2024, 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.</p> <p>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, key senior management with C-Suites position and the Company Secretary:</p> <ul style="list-style-type: none"> <li>• Probity, personal integrity and reputation - the person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.</li> <li>• Competence and capability - the person must have the necessary skills, experience, ability and commitment to carry out the role.</li> <li>• Financial integrity - the person must manage his debts or financial affairs prudently.</li> </ul> <p>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:-</p> <ol style="list-style-type: none"> <li>a. Identification check</li> <li>b. Malaysia Anti-Corruption Commission ("MACC") check</li> <li>c. Malaysia / International Security check</li> <li>d. Insolvency search</li> <li>e. Global Integrity check</li> <li>f. Global Internet &amp; Media search</li> <li>g. Industrial Courts Record check</li> <li>h. Educational loan check</li> <li>i. Professional Association Verification</li> <li>j. Malaysia Regulatory check</li> <li>k. Directorship check</li> <li>l. Civil Records check</li> <li>m. Unethical Financing &amp; Money Laundering search</li> <li>n. Academic verification</li> </ol> <p>In 2024, the GNRC had conducted a Fit and Proper Review and Assessment on the GCEO, Group C-Suites, Chief Executive Officers of the Operating Subsidiaries 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.</p> <p><b><u>Board Composition</u></b></p>
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	<p>a) Board Size</p> <p>Through GNRC, the Board reviews the composition of the Board and Board Committees every year or as and when required. In 2024, 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 Ho Kwong Hoong as a director of MBSB on 1 November 2024, resignation of Tan Sri Abd Rahman bin Mamat on 31 December 2024 and appointment of Encik Szalizi bin Zainuddin as Non-Independent Executive Director of MBSB on 1 January 2025, the board size of MBSB stood at 7. 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 2024.</p> <p><b><u>Appointment of Senior Management</u></b></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 &amp; Inclusivity) approach with no discrimination on grounds of national origin, citizenship status, race, religion, ethnicity, gender, marital status, age, pregnancy, physical handicap or disability and military status in all the related recruitment process including recruitment of senior management position.</p>
Explanation for departure	:

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

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

### Intended Outcome

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

### Practice 5.6

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board upon recommendation by NRC, had recommended the following directors to be re-elected as directors of MBSB at the AGM in 2024:-</p> <ol style="list-style-type: none"><li>1. Dato' Wan Kamaruzaman bin Wan Ahmad ("Dato' Wan")</li><li>2. Tan Sri Abd Rahman bin Mamat ("Tan Sri Rahman")</li><li>3. Datuk Yasmin binti Mahmood ("Datuk Yasmin")</li><li>4. Puan Lynette Yeow Su-Yin ("Puan Lynette")</li></ol> <p>The Board and the NRC 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 four (4) directors at the AGM in 2024 based on the following justification:-</p> <ol style="list-style-type: none"><li>1. The Board and NRC have assessed and satisfied that that all four (4) 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.</li><li>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"><li>a. Identification check</li></ol></li></ol>

	<ul style="list-style-type: none"> <li>b. Malaysia Anti-Corruption Commission (“MACC”) check</li> <li>c. Malaysia / International Security check</li> <li>d. Insolvency search</li> <li>e. Global Integrity check</li> <li>f. Global Internet &amp; Media search</li> <li>g. Industrial Courts Record check</li> <li>h. Educational loan check</li> <li>i. Professional Association Verification</li> <li>j. Malaysia Regulatory check</li> <li>k. Directorship check</li> <li>l. Civil Records check</li> <li>m. Unethical Financing &amp; Money Laundering search</li> <li>n. Academic verification</li> </ul> <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 NRC had recommended the re-election of Dato’ Wan, Tan Sri Rahman and Datuk Yasmin as directors of MBSB pursuant to Article 90 of the Company’s Constitution.</p> <p>5. In regards to the re-election of Puan Lynette pursuant to Clause 100 of the Company’s Constitution, the Board and NRC had reviewed the performance of Puan Lynette and her meeting attendance at the Board and Board Committees in 2022 and 2023. Puan Lynette attended more than 95% of the Board and Board Committee meetings in 2022 and 2023. The Board and NRC were satisfied with the performance and the contribution by Puan Lynette to the Board and the Board Committees. Puan Lynette participate actively in the deliberations during the Board and Board Committee meetings and able to provide independent and diverse viewpoints. In the absence of Board Chairman, Puan Lynette assumed the role to chair the Board Meeting and was redesignated as Acting Chairman (on interim basis) on 22 September 2023. She was subsequently redesignated as Senior Independent Non-Executive Director upon the appointment of Dato’ Wan as the Board Chairman of the Company. Puan Lynette also received high score in the peer evaluation which was part of the Board Effectiveness Evaluation for year 2022 and 2023. The Board and the NRC had recommended the re-election of Puan Lynette as director of MBSB.</p> <p>The resolutions on re-election of all four (4) directors were approved by the shareholders at the AGM held on 6 June 2024.</p>
<b>Explanation for departure</b>	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The NRC was chaired by Ir. Moslim Bin Othman until his resignation as Independent Non-Executive Director of MBSB on 6 February 2024.  Currently, the GNRC is chaired by Puan Lynette Yeow Su-Yin, the Senior Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 5.9**

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	As at 31 December 2024, there were two (2) female directors, i.e. Puan Lynette Yeow Su-Yin and Datuk Yasmin Binti Mahmood, out of a total of 7 directors, which constitute 28.5% of the Board.
	:	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.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The GNRC has identified two qualified female candidates for appointment as new directors of MBSB. Their appointments are expected to take place in 2025, subject to regulatory approval. This will raise female board representation to 44% at MBSB.
<b>Timeframe</b>	:	Within 1 year

### Intended Outcome

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

### Practice 5.10

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p><b><u>Board</u></b></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 endeavours to meet the 30% women Directors composition in line with the MCCG 2021 and the EPF Corporate Governance Principles and Voting Guidelines 2024/2025.</p> <p><b><u>Senior Management</u></b></p> <p>MBSB Group has adopted the DEI (Diversity, Equity &amp; Inclusivity) approach with no discrimination on grounds of national origin, citizenship status, race, religion, ethnicity, gender, marital status, age, pregnancy, physical handicap or disability and military 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 2024, women made up of about 36% in the Senior Management positions in MBSB Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

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

## Intended Outcome

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

## Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>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>For the financial year ended 31 December 2024, the Board has undertaken an external Board Effectiveness Evaluation (“BEE”) by Deloitte Business Advisory Sdn Bhd (“Deloitte”) to assess the effective functioning of the Board. The 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"><li>• Board governance and oversight</li><li>• Board processes and infrastructure</li><li>• Capabilities and performance of individual Directors</li><li>• Fit and propriety of Directors</li><li>• Objectivity of Independent Directors</li><li>• Board Committees’ performance</li></ul>

	<p>As a culmination of the exercise, the BEE outlined the following areas of strengths:</p> <ul style="list-style-type: none"> <li>• Leadership of the Chairman</li> <li>• Board collegiality</li> <li>• Relationship with stakeholders</li> <li>• Rigour of boardroom deliberations</li> </ul> <p>Based on the BEE Exercise, the Board, Board Committees and individual Directors performed in line with 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.</p> <p>Meanwhile, the Board improvement plan 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.</p> <p>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.</p> <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). None of the Directors of MBSB hold more than 3 directorships in large cap companies.</p> <p>The Board also reviewed and was satisfied with the meeting attendance records of the Directors. A total of 19 Board meetings were duly convened in year 2024. All the Directors have complied with the minimum Board meeting attendance of 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 2024 was commendable as well.</p> <p>A fit and proper assessment for all Directors was conducted in 2024 and the GNRC and the Board are satisfied that all Directors fulfilled all requirements under the Group Fit and Proper Requirements Policy.</p> <p>The Board has also conducted an annual assessment on Independent Directors in 2024 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>
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	<p>The Board has established a 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 NRC has also evaluated and identified the training requirement for year 2024 based on the feedback received in the Board Effectiveness Evaluation. In-house training programmes focusing on the following themes were conducted in 2024:-</p> <ol style="list-style-type: none"> <li>1. ESG/ Sustainability/ Climate</li> <li>2. Cybersecurity</li> <li>3. Crisis Management / Crisis Planning</li> <li>4. Corporate Governance</li> <li>5. Anti-Corruption and Anti-Money Laundering</li> <li>6. Key Shariah and operational issues for Islamic Institutions</li> </ol> <p>The Directors also attended various programmes, conferences, seminars, dialogues focusing on Business Continuity Management, Risk Management, Leadership, Conflict of Interest and Artificial Intelligence.</p> <p>The Company Secretaries are also required to ensure that the Directors of MBSB to attend mandatory certification programs within the stipulated timeline; such as the Mandatory Accreditation Programme ("MAP"), Financial Institutions Directors Education Programme ("FIDE") and Islamic Finance for Board of Directors Training Programme ("IF4BOD") organised by International Shari'ah Research Academy ("ISRA").</p> <p>All Directors of MBSB including the newly appointed director of MBSB i.e. Encik Ho Kwong Hoong have attended the Mandatory Accreditation Programme ("MAP") Part I and Part II: Leading for Impact (LIP) as required by Bursa Malaysia Securities Berhad.</p> <p>The list of programmes, conferences, seminars, or dialogues attended by each Director of MBSB in 2024 are listed in Section B of this CG report.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	





### Intended Outcome

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

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

### Practice 7.1

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

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Board has established a Directors Remuneration Framework 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>In 2024, the NRC and the Board had reviewed the Remuneration Framework for Directors and recommended that the directors' fees structure and benefits remain unchanged. The resolutions on Directors' fees structure and benefits payable to Directors were tabled at the 54<sup>th</sup> AGM on 6 June 2024 in two (2) separate resolutions. Both resolutions were duly passed.</p> <p>The Remuneration Framework for Directors of MBSB is available on its website at: <a href="https://www.mbsb.com.my/MBSB_Remuneration_Framework_for_Directors.pdf">https://www.mbsb.com.my/MBSB_Remuneration_Framework_for_Directors.pdf</a>.</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>To ensure that the board remuneration structure of the Group commensurate with the Directors’ responsibilities and aligned with the industry practices, the GNRC had recommended and the Board had approved the appointment of Deloitte Business Advisory Sdn Bhd (“Deloitte”) to undertake a remuneration review across MBSB and its key subsidiaries. The last board remuneration review was conducted in 2019 by KPMG. The GNRC and the Board will consider the recommendation from Deloitte before recommending the Directors' fees structure and benefits payable to Directors to the shareholders for approval at the 55<sup>th</sup> AGM in 2025.</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>	
Explanation : for departure		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

### Intended Outcome

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

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

### Practice 7.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The 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 <a href="https://www.mbsb.com.my/TOR_GNRC.pdf">https://www.mbsb.com.my/TOR_GNRC.pdf</a>.</p> <p>The TOR of GNRC was enhanced 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 at the apex level (i.e. MBSB).</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 MIDF Amanah 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> <ul style="list-style-type: none"><li>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").</li><li>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.</li><li>iii. To provide oversight over the design and operation of the remuneration system of the MBSB Group.</li></ul>

	<p>iv. To provide the oversight over the key areas of nomination and remuneration matters of the MBSB Group.</p> <p>The NRC assessed the Directors' fees structure and the benefits payable to the Directors of MBSB for the period from the date of 54<sup>th</sup> AGM in 2024 until the next AGM of the Company in 2025 before making recommendations to the Board.</p> <p>In 2024, the NRC had recommended that the directors' fees structure and benefits remain unchanged. The resolutions on Directors' fees structure and benefits payable to Directors were tabled at the 54<sup>th</sup> AGM on 6 June 2024 in two (2) separate resolutions as follows:</p> <ul style="list-style-type: none"> <li>• Ordinary Resolution 2 - on the payment of Directors' fees payable to Directors for the period from the 54<sup>th</sup> AGM until the next AGM in 2025; and</li> <li>• Ordinary Resolution 3 – on the payment of benefits (excluding Director' fees) payable to Directors from the 54<sup>th</sup> AGM until the next AGM in 2025.</li> </ul> <p>Both resolutions were duly passed.</p> <p><u>GCEO and Senior Management</u></p> <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 2023 Performance rewards for GCEO and key senior management were reviewed by the NRC and were duly approved by the Board in 2024.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 37 of the Audited Financial Statements for the financial year ended 31 December 2024.</p> <p>The remuneration received by each of the directors of MBSB in 2024 is set out in the table below.</p> <p><i>Note:</i></p> <ol style="list-style-type: none"><li><i>* 50% of the directors' fees for Encik Sazaliza Bin Zainuddin is paid to the organisation to which the Director represents.</i></li><li><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></li></ol>

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	155	42	0	0	0	0	197	310	105	0	0	31	0	446
2	Puan Lynette Yeow Su-Yin	Independent Director	161	116	0	0	0	0	277	161	116	0	0	0	0	277
3	Encik Mohamad Abdul Halim bin Ahmad	Independent Director	177	128	0	0	0	0	305	177	128	0	0	0	0	305
4	Dr. Loh Leong Hua	Independent Director	165	102	0	0	0	0	267	165	102	0	0	0	0	267
5	Datuk Yasmin binti Mahmood	Non-Executive Non-Independent Director	135	72	0	0	0	0	207	258	129	0	0	0	0	387
6	Encik Szalaza bin Zainuddin	Executive Director	48*	18	0	0	0	0	66	104*	53	0	0	0	0	157
7	Encik Ho Kwong Hoong	Independent Director	25	14	0	0	0	0	39	207	167	0	0	0	0	374
8	Tan Sri Abdul Rahman bin Mamat	Independent Director	130	82	0	0	0	0	212	265	118	0	0	0	0	383
9	Ir. Moslim bin Othman	Independent Director	27	7	0	0	0	0	34	27	7	0	0	0	0	34
10	Datin Hoi Lai Ping	Independent Director	13	2	0	0	0	0	15	13	2	0	0	0	0	15
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
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### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	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.	
		As an alternative to the recommended practice, the Board has opted to disclose the aggregate remuneration for the senior management as follows:	
		<b>Total value of remuneration for FY2024</b>	<b>RM</b>
		<b>Fixed Remuneration</b>	
		- Cash-Based	6,226,120 (Top 5 headcounts)
		<b>Variable Remuneration</b>	
		- Cash-Based	2,479,820 (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>			
<b>Measure</b>	:	The Board will closely monitor the developments in the market with respect to such disclosure for future consideration.	
<b>Timeframe</b>	:	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.

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

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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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 2024.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.2

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<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 <a href="https://www.mbsb.com.my/TOR_GBAC.pdf">https://www.mbsb.com.my/TOR_GBAC.pdf</a>.</p> <p>The requirement to observe a cooling-off period of three years is also stated in the External Auditor Policy.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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 MCGG and Group Engagement of External Auditor for Non Audit Services Policy. The External Auditor Policy and Group Engagement of External Auditor for Non Audit Services Policy were reviewed and adopted by MBSB and its subsidiaries in 2024 as part of the post-merger's policy harmonization exercise.</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 2024, the GBAC and the Board have assessed the performance of the external auditor, Messrs. PricewaterhouseCoopers PLT ("PwC") for the financial year 2023. 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 2023 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 2024.</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 54<sup>th</sup> AGM on 6 June 2024. 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 2024.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted								
Explanation on adoption of the practice	:	<p>The Group Board Audit Committee (“GBAC”) comprises solely of Independent Directors as at 31 December 2024</p> <p><b><u>Composition of the GBAC as at 31 December 2024 as follows: -</u></b></p> <table><tr><th>COMMITTEE MEMBER</th><th>DESIGNATION</th></tr><tr><td>Encik Mohamad Abdul Halim bin Ahmad</td><td>Chairman, Independent Non-Executive Director</td></tr><tr><td>Dr. Loh Leong Hua</td><td>Member, Independent Non-Executive Director</td></tr><tr><td>Puan Lynette Yeow Su-Yin (Appointed on 24 January 2024)</td><td>Member, Senior Independent Non-Executive Director</td></tr></table> <p>Note:</p> <p>1. Datin Hoi Lai Ping has resigned as Independent Non-Executive Director of MBSB on 24 January 2024.</p>	COMMITTEE MEMBER	DESIGNATION	Encik Mohamad Abdul Halim bin Ahmad	Chairman, Independent Non-Executive Director	Dr. Loh Leong Hua	Member, Independent Non-Executive Director	Puan Lynette Yeow Su-Yin (Appointed on 24 January 2024)	Member, Senior Independent Non-Executive Director
COMMITTEE MEMBER	DESIGNATION									
Encik Mohamad Abdul Halim bin Ahmad	Chairman, Independent Non-Executive Director									
Dr. Loh Leong Hua	Member, Independent Non-Executive Director									
Puan Lynette Yeow Su-Yin (Appointed on 24 January 2024)	Member, Senior 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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 2024.</p> <p>The GBAC members have attended various conferences and training programmes during 2024 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 <a href="https://www.mbsb.com.my/TOR_GBAC.pdf">https://www.mbsb.com.my/TOR_GBAC.pdf</a>.</p> <p>A summary of the GBAC's work in discharging their functions and duties for the financial year ended 31 December 2024 is described in the "Audit Committee's Report" section of the Integrated Annual Report 2024.</p>
<b>Explanation for departure</b>	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board affirms its commitment to establishing and maintaining a robust risk management and internal control system within the MBSB Group. It acknowledges its overarching responsibility for regularly reviewing the adequacy and effectiveness of the risk management and internal controls systems, ensuring they identify, assess, and address risks that may impede the achievement of the MBSB Group's objectives.</p> <p>One of the Board's key responsibilities is the establishment of the MBSB Group's risk appetite, defining the types and levels of risks the MBSB Group is willing to accept in pursuit of its business and strategic goals. Actively engaged in the MBSB Group's strategic endeavours, the Board ensures that corresponding risks are meticulously mitigated within the approved risk appetite.</p> <p>Recognising the inherent limitations of any risk management and internal control system, the Board acknowledges that such systems can provide reasonable, rather than absolute, assurance against material financial misstatement, fraud, or losses.</p> <p>The Board plays a pivotal role in instituting a robust risk management and internal control governance structure. This structure is crucial in setting the tone and culture for effective risk management and internal control throughout the organisation. To enhance its risk and control oversight responsibilities, the Board has established key committees, including the Group Board Risk and Compliance Committee ("GBRCC"), and the Group Audit Committee ("GBAC"). These committees are entrusted with overseeing matters related to risk, compliance, and controls, respectively.</p> <p>Additionally, a parallel risk governance framework exists within the relevant operating entities of the MBSB Group. Any reference to these committees at the holding level equally applies to their counterparts at individual operating entities within the MBSB Group. This ensures a unified and aligned approach to risk management across the entire Group.</p> <p>The risk governance framework includes delegation of authority from the Board to Management Committees as well as risk controls</p>

	<p>established for material activities to the MBSB Group operating within the risk appetite. To support the Board, GBRCC, and the relevant Management Committees in discharging their oversight over risk, the responsibility within the MBSB Group in addressing and managing the risk is clearly assigned through a “three lines of defence model”.</p> <p>MBSB Group’s risk management framework requires robust risk management practices that are integrated in the key strategic, capital, financial planning processes, including new products or new business activities as well as day-to-day business process across the MBSB Group, thereby ensuring risks are appropriately considered, evaluated, and responded to in a timely manner.</p> <p>The MBSB Board committees diligently update the MBSB Board on a periodic basis, providing comprehensive insights into their work, key deliberations, and decisions on delegated matters. This collaborative approach ensures a well-informed and proactive stance, reinforcing the commitment to a culture of effective risk management and internal control within the MBSB Group.</p>			
<b>Explanation for departure</b>	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
<b>Measure</b>	:			
<b>Timeframe</b>	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

**Intended Outcome**

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

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

**Practice 10.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The details and features of the MBSB Group'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 2024.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

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

### Practice 10.3 - Step Up

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

<b>Application</b>	:	Adopted										
<b>Explanation on adoption of the practice</b>	:	<p>The Group Board Risk and Compliance Committee (“GBRCC”) comprises majority of Independent Directors as at 31 December 2024.</p> <p><b><u>Composition of GBRCC as at 31 December 2024</u></b></p> <table><tr><th>COMMITTEE MEMBER</th><th>DESIGNATION</th></tr><tr><td>Dr. Loh Leong Hua</td><td>Chairman, Independent Non-Executive Director</td></tr><tr><td>Datuk Yasmin Binti Mahmood (Appointed on 2 January 2024)</td><td>Member, Non- Independent Non-Executive Director</td></tr><tr><td>Encik Mohamad Abdul Halim Ahmad (Appointed on 6 February 2024)</td><td>Member, Independent Non-Executive Director</td></tr><tr><td>Encik Ho Kwong Hoong (Appointed on 1 November 2024)</td><td>Member, Independent Non-Executive Director</td></tr></table> <p>Note:</p> <ol style="list-style-type: none"><li>1. Datin Hoi Lai Ping has resigned as Independent Non-Executive Director of MBSB on 24 January 2024.</li><li>2. Ir. Moslim bin Othman has resigned as Independent Non-Executive Director of MBSB on 6 February 2024.</li><li>3. Datuk Yasmin has stepped down as Member of GBRCC on 31 December 2024.</li></ol>	COMMITTEE MEMBER	DESIGNATION	Dr. Loh Leong Hua	Chairman, Independent Non-Executive Director	Datuk Yasmin Binti Mahmood (Appointed on 2 January 2024)	Member, Non- Independent Non-Executive Director	Encik Mohamad Abdul Halim Ahmad (Appointed on 6 February 2024)	Member, Independent Non-Executive Director	Encik Ho Kwong Hoong (Appointed on 1 November 2024)	Member, Independent Non-Executive Director
COMMITTEE MEMBER	DESIGNATION											
Dr. Loh Leong Hua	Chairman, Independent Non-Executive Director											
Datuk Yasmin Binti Mahmood (Appointed on 2 January 2024)	Member, Non- Independent Non-Executive Director											
Encik Mohamad Abdul Halim Ahmad (Appointed on 6 February 2024)	Member, Independent Non-Executive Director											
Encik Ho Kwong Hoong (Appointed on 1 November 2024)	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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The internal audit function is performed in-house by the Group Internal Audit Division personnel ("GIAD") at the relevant operating entities within the 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>The GBAC, through 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>The GIAD is independent of activities and processes to ensure that they are able to perform its duties objectively.</p> <p>The GIAD is guided by the Internal Audit Charter, Internal Audit Manual and the respective entities Board Committees' Terms of Reference. The 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 Audit Charter is required to be reviewed once every two years or as and when necessary. The last review was conducted in December 2024 to maintain its relevancy and applicability, in line with the Global Internal Audit Standards issued in 2024.</p> <p>The GIAD activities were carried out based on the Group Internal Audit Plan 2024 as approved by the GBAC. The audit reports were reviewed and approved by the respective MBSB subsidiaries' Board Audit Committee ("BAC") and notified to GBAC, subsequently. The respective management members of MBSB and MBSB'S subsidiaries 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 of MBSB's subsidiaries and GBAC on quarterly basis.</p> <p>The appointment, remuneration, performance, appraisal, transfer and dismissal of the Group Chief Internal Auditor must be decided by the GBAC.</p>

	Further information on the GIAD and the activities conducted during the year is disclosed in the “Audit Committee’s Report” section of the Integrated Annual Report 2024.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



## Intended Outcome

Companies 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 “Audit Committee’s Report” section of the Integrated Annual Report 2024.</p> <p>Total GIAD personnel stood at 67 as of 31 December 2024.</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><tr><th>Certification</th><th>Certified / Qualified</th></tr><tr><td>Chartered Banker (CB)</td><td>1</td></tr><tr><td>Certified Professional Shariah Auditor (CPSA)</td><td>4</td></tr><tr><td>Certified Internal Auditor (CIA)</td><td>4</td></tr><tr><td>Masters In Islamic Master Practice (MIFP)</td><td>5</td></tr><tr><td>Certified Bank Auditor (CBA)</td><td>26</td></tr><tr><td>Certified Credit Executive (CCE)</td><td>10</td></tr><tr><td>Business Credit Professional (BCP) formerly known as Certified Credit Professional – Business (CCP)</td><td>5</td></tr><tr><td>Associate Qualification in Islamic Finance (AQIF)</td><td>20</td></tr><tr><td>Intermediate Qualification in Islamic Finance (IQIF)</td><td>1</td></tr><tr><td>Certified Information System Auditor (CISA)</td><td>4</td></tr><tr><td>Advanced Certificate in Anti Money Laundering (ACAML)</td><td>1</td></tr><tr><td>Certified Anti-Money Laundering &amp; Counter Financing of Terrorism Compliance Officer (CAMCO)</td><td>3</td></tr><tr><td>Certified Sustainability Reporting Specialist</td><td>4</td></tr></table>	Certification	Certified / Qualified	Chartered Banker (CB)	1	Certified Professional Shariah Auditor (CPSA)	4	Certified Internal Auditor (CIA)	4	Masters In Islamic Master Practice (MIFP)	5	Certified Bank Auditor (CBA)	26	Certified Credit Executive (CCE)	10	Business Credit Professional (BCP) formerly known as Certified Credit Professional – Business (CCP)	5	Associate Qualification in Islamic Finance (AQIF)	20	Intermediate Qualification in Islamic Finance (IQIF)	1	Certified Information System Auditor (CISA)	4	Advanced Certificate in Anti Money Laundering (ACAML)	1	Certified Anti-Money Laundering & Counter Financing of Terrorism Compliance Officer (CAMCO)	3	Certified Sustainability Reporting Specialist	4
Certification	Certified / Qualified																													
Chartered Banker (CB)	1																													
Certified Professional Shariah Auditor (CPSA)	4																													
Certified Internal Auditor (CIA)	4																													
Masters In Islamic Master Practice (MIFP)	5																													
Certified Bank Auditor (CBA)	26																													
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Associate Qualification in Islamic Finance (AQIF)	20																													
Intermediate Qualification in Islamic Finance (IQIF)	1																													
Certified Information System Auditor (CISA)	4																													
Advanced Certificate in Anti Money Laundering (ACAML)	1																													
Certified Anti-Money Laundering & Counter Financing of Terrorism Compliance Officer (CAMCO)	3																													
Certified Sustainability Reporting Specialist	4																													

	Certified Data Analytic	1
	Shariah Audit Certification (SAC)	5
<p>Note: There are several staff possessing more than one of the above qualifications.</p> <p>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.</p> <p>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.</p> <p>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 2024.</p> <p>The GIAD adopts the Global Internal Audit Standards and is guided by the Internal Audit Charter, Internal Audit Manual and the GBAC’s TOR. The Internal Audit Manual documents audit processes, methodology, roles, duties and responsibilities of internal auditors.</p> <p>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 Board via the Chairman’s Report. 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 “Audit Committee’s Report” section of the Integrated Annual Report 2024.</p>		
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

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

### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<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><b><u>Financial Results</u></b></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><b><u>Discussions, Dialogues and Briefings</u></b></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>

	<p>transparency and building trust but also making relevant and accessible information available to investors, thereby fostering an environment of clarity and openness.</p> <p>These Investor Relations activities include:</p> <ul style="list-style-type: none"> <li>• Meetings with analysts, including an introduction to the new management team.</li> <li>• Invitations extended to retail investors for dedicated webinars, providing insights into the company's financial performance and strategic direction.</li> <li>• MBSB Investor Day, an exclusive event offering investors in-depth discussions with senior management on business outlook, financial highlights, and growth strategies.</li> <li>• Non-Deal Roadshows (NDR), engaging fund managers through meetings to provide corporate updates and strengthen investor relations.</li> <li>• Investor Development Roadshows held across multiple locations to enhance investor engagement and expand market outreach.</li> <li>• Invitation to present at a corporate event, showcasing MBSB's achievements, strategies, and market position to key stakeholders.</li> </ul> <p><b><u>Engagement with stakeholders</u></b></p> <p>MBSB conducts targeted engagement to further strengthen the relationship between the Group and its stakeholders. In 2024, MBSB organised numerous engagement activities for its employees, investors, customers as well as the general public, including the following events:-</p> <ol style="list-style-type: none"> <li>1. Launch of SBMB 3.0 Campaign</li> <li>2. MBSB Group Townhall</li> <li>3. Shopping Raya with Orphans</li> <li>4. Iftar with Community</li> <li>5. MBSB Rumah Terbuka Hari Raya</li> <li>6. Cyber Security Campaign with MBSB Bank</li> <li>7. Luncheon Talk: Awaiting Take-off of Construction Sector</li> <li>8. TERAJU Financing Initiative for Bumiputera Companies</li> <li>9. MBSB bank 18th Amateur Open 2024 Men &amp; Ladies</li> <li>10. Global Forum on Islamic Economics and Finance (GFIEF) 2024</li> <li>11. Blood Donation Drive and 360 Wellness</li> <li>12. International Social wellbeing Conference (ISWC) 2024</li> <li>13. 54th Annual General Meeting</li> <li>14. Content Creator Day</li> <li>15. Launch of Halal Accreditation Technology Improvement (HATI)</li> <li>16. USD Straight Through Processing (STP)</li> <li>17. Kejohanan Golf AG vs Ex-AG for the year 2024</li> <li>18. MINDA 2024 by Federation of Malaysian Business Association (FMBA)</li> <li>19. MITI Day - Kampung Angkat Madani Programme</li> <li>20. MBSA Car Free Sunday</li> <li>21. MBSB Bank Best Program in collaboration with INSKEN and Majlis Agama Islam Johor</li> </ol>
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	<p>22. The Edge Billion Ringgit Club (BRC) Awards 2024</p> <p>23. Consumer Deposit Road Tour</p> <p>24. National Corporate Governance and Sustainability Awards (NACGSA) 2024 – MSWG</p> <p>25. Sustainability Awareness Day</p> <p>26. Financial Literature Program – Money Smart, Future Ready</p> <p>27. Kuala Lumpur Islamic Finance Forum 2024</p> <p>28. MIDF Market Outlook 2024</p> <p>29. Handling Media Training for Group Management Committee</p> <p>As part of the integration process arising from the acquisition of MIDF Group, townhalls and various communications were held with all employees of MBSB Bank and MIDF Group to drive alignment, capture synergies, and ensure seamless inclusion as a single consolidated group post-merger.</p> <p><b><u>Corporate Website</u></b></p> <p>MBSB's website provides updated information on the corporate and business aspects of the Group. Media releases, announcements to Bursa Malaysia, analysts' briefings, presentation slides, and quarterly results of the Group are also made available on the website, promoting the accessibility of information to the company's shareholders, stakeholders and all other market participants.</p> <p>MBSB's website, which can be found at <a href="https://www.mbsb.com.my">https://www.mbsb.com.my</a>, 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 <a href="https://www.mbsbbank.com">https://www.mbsbbank.com</a>, and <a href="https://www.midf.com.my">https://www.midf.com.my</a> respectively</p> <p><b><u>Corporate Disclosure Policy</u></b></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><b><u>Integrated and Sustainability Report</u></b></p> <p>MBSB conducts a materiality assessment on an annual basis to assess and review the material matters to better respond to changing</p>
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	<p>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 <a href="mailto:enquiry@mbsbbank.com">enquiry@mbsbbank.com</a> for any inquiries.</p>	
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 12.2

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	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 2024 marks the fifth year 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.  The report highlights the Group's strategic focus, performance, governance, and value creation across financial and non-financial capitals.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

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

**Practice 13.1**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The AGM for year 2024 was held on 6 June 2024. The Notice of the AGM was despatched to the shareholders on 30 April 2024. The requirement for at least 28 days’ notice is fulfilled in adherence to the MCCG.</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 virtual 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	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

**Intended Outcome**

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

**Practice 13.2**

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The AGM of MBSB is the primary forum for dialogue and interaction with its shareholders.</p> <p>MBSB conducted a virtual general meeting for its 54<sup>th</sup> AGM held on 6 June 2024 using the Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor &amp; 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 participated in the 54<sup>th</sup> AGM.</p> <p>There was no question directed to the Chair of the AC, NRC and RMC by the shareholders during the 54<sup>th</sup> AGM.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

### Intended Outcome

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

### Practice 13.3

Listed companies should leverage technology to facilitate—

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>MBSB conducted a virtual meeting for its 54<sup>th</sup> AGM held on 6 June 2024 using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor &amp; 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 virtual meeting 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 virtual 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> <p>In 2024, a total of 1,254 shareholders/ proxies attended the 54<sup>th</sup> AGM using the RPV facilities.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

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

### Practice 13.4

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

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board allows shareholders to submit the question using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor &amp; 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 54<sup>th</sup> AGM, the GCEO, Encik Rafe Haneef, presented the Group's financial performance review for 2023, FLIGHT26 strategy and sustainability commitment of the Group 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 responded to a total of 34 questions submitted by the shareholders in advance.</p> <p>The Chairman of the Meeting also invited 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. The Question and Answer session was about 40 minutes and the Management and the Board responded to 96 live questions submitted by remote participants during the AGM. In addition, the senior management, external auditors, and other advisors were available to provide answers and clarifications to shareholders. All questions submitted by the shareholders were made visible to all meeting participants.</p> <p>Due to time constraints, not all questions could be answered during the AGM. For questions that were not answered in the AGM, the</p>

	<p>Management e-mailed the responses to the respective shareholders after the meeting.</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 <a href="https://www.mbsb.com.my/general_meeting.html">https://www.mbsb.com.my/general_meeting.html</a>.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 13.5

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

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>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 virtual general meeting for its 54<sup>th</sup> AGM using the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor &amp; Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website.</p> <p>The Board decided to opt for RPV facilities for the 54<sup>th</sup> AGM as 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).</p> <p>Questions submitted by the shareholders were made visible to all meeting participants.</p> <p>During the 54<sup>th</sup> AGM, the Management and the Board responded to questions submitted by the MSWG and 34 questions submitted by the shareholders in advance of the AGM. The Question and Answer session was about 40 minutes and the Management and the Board had responded to 96 live questions submitted by remote participants.</p> <p>The RPV facilities also allow shareholders and members to log in and cast their votes electronically before the general meeting.</p>
<b>Explanation for departure</b>	:	

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

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



**Intended Outcome**

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

**Practice 13.6**

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Minutes of the 54<sup>th</sup> AGM held on 6 June 2024 was published on the MBSB's website on 15 July 2024.</p> <p>The minutes of AGM is available on MBSB's website at <a href="https://www.mbsb.com.my/general_meeting.html">https://www.mbsb.com.my/general_meeting.html</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## 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 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 2024 and are available on MBSB's website at [www.mbsb.com.my/ar.html](http://www.mbsb.com.my/ar.html).

The composition of the Board of Directors of MBSB during the year 2024 and the records of attendance at Board Meeting held in the financial year ended 31 December 2024 are as follows:

#	Member	Attendance	Percentage
1	Dato' Wan Kamaruzaman bin Wan Ahmad Chairman/ Non-Independent Non-Executive Director (Appointed on 24 January 2024)	19/19	100%
2	Puan Lynette Yeow Su-Yin Senior Independent Non-Executive Director	19/19	100%
3	Encik Mohamad Abdul Halim bin Ahmad Independent Non-Executive Director	19/19	100%
4	Dr. Loh Leong Hua Independent Non-Executive Director	19/19	100%
5	Datuk Yasmin Binti Mahmood Non-Independent Non-Executive Director	19/19	100%
6	Tan Sri Abdul Rahman bin Mamat Independent Non-Executive Director (Resigned on 31 December 2024)	19/19	100%
7	Encik Ho Kwong Hoong Independent Non-Executive Director (Appointed on 1 November 2024)	3/3	100%
8	Datin Hoi Lai Ping Independent Non-Executive Director (Resigned on 24 January 2024)	-	-
9	Ir. Moslim bin Othman Independent Non-Executive Director	1/1	100%

	(Resigned on 6 February 2024)		
10	Encik Szaliza bin Zainuddin Non-Independent Executive Director (Resigned on 9 March 2024)	8/10	80%

**\* 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.*

## 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)

Based on the new Board Governance Framework for the enlarged Group, the Audit Committee of MBSB has been renamed to Group Board Audit Committee (“GBAC”) in October 2024.

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 2024 are as follows:

#	Member	Attendance	Percentage
1	Encik Mohamad Abdul Halim bin Ahmad (Chairman) (Independent Non-Executive Director)	14/14	100%
2	Dr. Loh Leong Hua (Member) (Independent Non-Executive Director)	14/14	100%
3	Puan Lynette Yeow-Su-Yin (Member)	14/14	100%

	(Senior Independent Non-Executive Director) (Appointed as Member on 24 January 2024)		
4	Datin Hoi Lai Ping (Member) (Independent Non-Executive Director) (Resigned as Member on 24 January 2024)	-	-

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

Based on the new Board Governance Framework for the enlarged Group, the Risk Management Committee of MBSB has been renamed to Group Board Risk and Compliance Committee (“GBRCC”) in October 2024.

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 2024 are as follows:

#	Member	Attendance	Percentage
1	Dr. Loh Leong Hua (Chairman) (Independent Non-Executive Director)	11/11	100%
2	Datuk Yasmin Binti Mahmood (Member) (Non-Independent Non-Executive Director) (Appointed as Member on 2 January 2024)	9/11	81%
3	Encik Mohamad Abdul Halim bin Ahmad (Member) (Independent Non-Executive Director) (Appointed as Member on 6 February 2024)	10/10	100%
4	Encik Ho Kwong Hoong (Member) (Independent Non-Executive Director) (Appointed as Member on 1 November 2024)	2/2	100%
5	Ir. Moslim bin Othman (Independent Non-Executive Director) (Resigned as Member on 6 February 2024)	1/1	100%
6	Datin Hoi Lai Ping (Independent Non-Executive Director) (Resigned as Member on 24 January 2024)	-	-

Note:

1. Datuk Yasmin has stepped down as Member of GBRCC on 31 December 2024.

**(iii) Group Nominating and Remuneration Committee (GNRC)**

Based on the new Board Governance Framework for the enlarged Group, the existing nominating and remuneration committee at the subsidiaries level has been dissolved and the function of nominating and remuneration committee for the group has been consolidated at MBSB level. Hence, the Nominating and Remuneration Committee of MBSB has been renamed to Group Nominating and Remuneration Committee (“GNRC”) effective 1 August 2024.

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 Group Key Senior Management, Key Senior Management of the Subsidiary Companies and Company Secretary. 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 2024 are as follows:

#	Member	Attendance	Percentage
1	Puan Lynette Yeow Su-Yin (Chairman) Senior Independent Non-Executive Director (Appointed as Chairman on 6 February 2024)	13/13	100%
2	Encik Mohamad Abdul Halim bin Ahmad (Member) (Independent Non-Executive Director)	14/14	100%
3	Tan Sri Abdul Rahman Mamat (Member) (Independent Non-Executive Director) (Appointed as Member on 2 January 2024) (Resigned as Member on 31 December 2024)	14/14	100%
4	Encik Ho Kwong Hoong (Member) Independent Non-Executive Director (Appointed as Member on 1 November 2024)	2/2	100%
5	Dr. Loh Leong Hua (Independent Non-Executive Director) (Resigned as Member on 2 January 2024)	-	-
6	Ir. Moslim bin Othman Independent Non-Executive Director (Resigned as Chairman on 6 February 2024)	1/1	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 2024 are as follows:

Dato' Wan Kamaruzaman bin Wan Ahmad	
1.	Risk Management Workshop (16 March 2024)
2.	Strategic Asset Allocation Workshop (18 May 2024)
3.	Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (20-21 May 2024)
4.	The International Social Wellbeing Conference 2024 Theme: Ageing and Longevity: Towards A Meaningful Retirement (4-5 June 2024)
5.	Sasana Symposium 2024 – Structural Reforms Making it a Reality for Malaysia (12-13 June 2024)
6.	Asia Asset Management Conference (20 June 2024)

7.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance (17 July 2024)
8.	Ikhlas Capital Annual Conference 2024 (19 July 2024)
9.	Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024)
10.	KWAP Inspire Conference 2024 – Advancing Circular Transformation for a Climate Smart Malaysia (6 August 2024)
11.	National Women's Day 2024 Themed "Leading with Wellness: Women's Leadership and Health Body, Mind & Soul (23 August 2024)
12.	EPF Investment Seminar 2024 Malaysia – Where Are The Opportunities (26 August 2024)
13.	Shariah Training : Key Insights of Hajah and Darurah Principles & Applications (11 September 2024)
14.	Cyber Security Awareness Briefing (11 September 2024)
15.	Ethical Finance Global 2024 (24-25 September 2024)
16.	Khazanah Megatrends Forum 2024 (7-8 October 2024)
17.	DTX 2024 Reimagining Retirement Unlocking Digital Potential to achieve A better Retirement Future (29 October 2024)
18.	Bespoke Programme – Achieving Boardroom Excellence Redefining Directorship for the Modern Era Learning Outcomes (20 November 2024)
19.	The 19th Kuala Lumpur Islamic Finance Forum (KLIFF 2024) (5-7 November 2024)
<b>Puan Lynette Yeow Su -Yin</b>	
1.	Sustainable Sustainability – Why ESG Is Not Enough (1 March 2024)
2.	Beyond Box-Ticking : Enhancing Effectiveness of Nominating Committee (24 April 2024)
3.	Sustainability and Climate Responsibility (10 May 2024)
4.	Director's Conference : Kuala Lumpur International Sustainability Conference (7 June 2024)
5.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance (17 July 2024)
6.	Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024)
7.	An overview of the AI Landscape (4 September 2024)
8.	Cyber Security (4 September 2024)
9.	Shariah Training : Key Insights of Hajah and Darurah Principles & Applications (11 September 2024)
10.	Cyber Security Awareness Briefing (11 September 2024)
11.	Khazanah Megatrends Forum 2025 (7 and 8 October 2024)
12.	Artificial Intelligence (AI) Legal Framework (14 November 2024)
13.	Cyber Security Act 2024 (14 November 2024)

<b>Encik Mohamad Abdul Halim bin Ahmad</b>	
1.	Sustainability and Climate Responsibility (10 May 2024)
2.	Shariah requirements of BNM PD on Hajah & Darurah by MNRB by Prof Dr Engku Rabiah Adawiah Engku Ali (17 May 2024)
3.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance (17 July 2024)
4.	Business Continuity Management MNRB by Wahida Ali (1 August 2024)
5.	Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024)
6.	AMLA & ABC by Masilamani (2 September 2024)
7.	Shariah Training : Key Insights of Hajah and Darurah Principles & Applications (11 September 2024)
8.	Cyber Security Awareness Briefing (11 September 2024)
<b>Dr. Loh Leong Hua</b>	
1.	Cybersecurity Masterclass (14 February 2024)
2.	ADFIM Leadership Power Talk with Tan Sri Rafidah Aziz (25 April 2024)
3.	Session on Awaiting Take-Off of Contractor Sector (9 May 2024)
4.	Sustainability and Climate Responsibility (10 May 2024)
5.	FIDE FORUM – CGM Masterclass: What Directors Must Know: Recent Developments in Climate Science. (15 May 2024)
6.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance (17 July 2024)
7.	Shariah Training : Key Insights of Hajah and Darurah Principles & Applications (11 September 2024)
8.	Cyber Security Awareness Briefing (11 September 2024)
9.	Conflict of Interest and Governance of Conflict of Interest (18 September 2024)
10.	AOB Conversation with Audit Committees (19 November 2024)
11.	Strategic Data and Frameworks in Board Governance (2 December 2024)
<b>Tan Sri Abdul Rahman Mamat</b>	
1.	Corporate Spotlight: Johor Corporation, "Heralding A New Growth Era for Johor (6 February 2024)
2.	Cyber Security Masterclass (14 February 2024)
3.	What Amounts to a Conflict of Interest by Directors? (8 May 2024)
4.	Luncheon Talk : Awaiting Take-Off of Construction Sector with YB Datuk Seri Ahmad Maslan, Deputy Minister of Works (9 May 2024)
5.	Sustainability and Climate Responsibility (10 May 2024)
6.	Breakfast Roundtable: The Role of Board in the Sustainability Era (23 May 2024)

7.	Roundtable Discussion: Road to NIMP 2030 (24 June 2024)
8.	National OGSE Sustainability Framework Guide (16 July 2024)
9.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance (17 July 2024)
10.	Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024)
11.	MIDF Roundtable Discussion: Road to NIMP 2030 - Digital Economy (3 September 2024)
12.	Shariah Training : Key Insights of Hajah and Darurah Principles & Applications (11 September 2024)
13.	Cyber Security Awareness Briefing (11 September 2024)
14.	World Halal Business Conference 2024 Kuala Lumpur (17 September 2024)
15.	Khazanah Megatrends Forum 2024 (7-8 October 2024)
16.	Demystifying The Dynamic Forces That Shape Board Relationship & Cultivating Strategic Mindset in Leadership (21-22 October 2024)
17.	Managing Corruption Risk - Corruption Risk Assessment Awareness (18 November 2024)
<b>Datuk Yasmin Binti Mahmood</b>	
1.	Corporate Spotlight: Johor Corporation, "Heralding A New Growth Era for Johor (6 February 2024)
2.	Cybersecurity Masterclass for MIDF Board Members and Group Management Committee/IB Manco (14 February 2024)
3.	Sustainability and Climate Responsibility by Messrs. Ernst & Young (10 May 2024)
4.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance (17 July 2024)
5.	Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024)
<b>Encik Ho Kwong Hoong</b>	
1.	Director program : Fireside Chat with the Former Governors: Central Banking in an Evolving International Financial System (6 February 2024)
2.	Cybersecurity Awareness Day (15 February 2024)
3.	Bank Audit Conference 2024 -Future of Internal Audit - Embracing Change, Staying Relevant (Masterclass) (6-7 March 2024)
4.	BNM – FIDE FORUM Engagement Session with Board of Directors of Islamic Financial Institutions: Hajah and Darurah Policy Document (7 March 2024)
5.	BNM-FIDE Forum Engagement Responsibility Mapping with Directors of Financial Institutions (24 April 2024)
6.	Sustainability and Climate Responsibility (10 May 2024)



7.	Engagement Session with FIDE FORUM Members on BNM Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review 2H 2023 (30 May 2024)
8.	Director's Conference : Kuala Lumpur International Sustainability Conference (7 June 2024)
9.	Info Sharing & Engagement Session on Board Culture (FIDE Forum) (24 June 2024)
10.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance (17 July 2024)
11.	Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024)
12.	Distinguished Board Leadership Series 2024: Digital Transformation of the World's Best Bank (3 September 2024)
13.	Governance of Generative AI (1 October 2024)
14.	Carbon Markets : What directors need to know (8 October 2024)

## 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 also responsible for the overall Corporate Governance of MIDF IB 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 2024 and the records of attendance at Board Meeting held in the financial year ended 31 December 2024 are as follows:-

#	Member	Attendance	Percentage
1	Dato' Wan Kamaruzaman bin Wan Ahmad Chairman/ Non-Independent Non-Executive Director	21/21	100%

	(Appointed on 24 January 2024)		
2	Datuk Azrulnizam Abd Aziz Senior Independent Non-Executive Director	21/21	100%
3	Encik Kamarulzaman bin Ahmad Independent Non-Executive Director	21/21	100%
4	Encik Arul Sothy Mylvaganam Independent Non-Executive Director	21/21	100%
5	Encik Ho Kwong Hoong Independent Non-Executive Director	21/21	100%
6	Encik Shawn Conrad Campos Independent Non-Executive Director (Appointed on 1 September 2024)	6/6	100%
7	Encik Szalaza bin Zainuddin Non-Independent Executive Director (Resigned on 2 May 2024)	7/10	70%
8	Datuk Johar bin Che Mat Senior Independent Non-Executive Director (Retired on 14 June 2024)	8/11	72%

**\* Note:**

*Encik Szalaza bin Zainuddin does not hold any executive position in MBSB Bank and does not have any management responsibilities in MBSB Bank. His designation as Non-Independent Executive Director of MBSB Bank 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 Szalaza bin Zainuddin has management responsibilities in EPF.*

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 / 55 / Male

**Date of Appointment** 1 March 2017

**Academic / Professional Qualification(s)**

- 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)**

- Independent Director, Malaysian Industrial Development Finance Berhad.
- Chairman, Perbadanan PR1MA Malaysia

<b>Past Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>• Independent Director, Thriven Global Berhad</li> <li>• Independent Director, AmMetlife Takaful Berhad</li> <li>• Executive Director, CR FinaCapital Sdn Bhd</li> <li>• Director, Petrowangsa Sdn Bhd</li> <li>• Director, Fuze Development Sdn Bhd</li> <li>• Member, CEO@Faculty Programme</li> </ul> <ul style="list-style-type: none"> <li>• Chairman, Pelaburan MARA Berhad (2020-2021)</li> <li>• Director, Dagong PMB Holdings Berhad (2018-2019)</li> <li>• Group Strategic Financial Advisor, Syarikat Perumahan Negara Berhad (SPNB) (2018-2019)</li> <li>• Director, Bintai KA Development Sdn Bhd (2017-2019)</li> <li>• Executive Director, OCR Group Berhad (2016-2018)</li> <li>• Chief Executive Officer, Al Rajhi Banking &amp; Investment Corporation Malaysia Berhad (2012-2014)</li> <li>• Chief Executive Officer, Standard Chartered Sa'adiq Berhad (2008–2011)</li> <li>• Director &amp; Head of Islamic Banking Division, Standard Chartered Bank Malaysia Berhad (2005-2008)</li> <li>• Vice President, Citibank Malaysia Berhad (1996-2005)</li> </ul>
<b>Shareholding in MBSB Berhad</b>	None
<b>ENCIK KAMARULZAMAN BIN AHMAD</b> Independent Non-Executive Director	
<b>Nationality / Age / Gender</b>	Malaysian / 50/ Male
<b>Date of Appointment</b>	1 October 2019
<b>Academic / Professional Qualification(s)</b>	<ul style="list-style-type: none"> <li>• British A-Levels, New College Cardiff, United Kingdom</li> <li>• BEng (Hons) Electrical and Electronics Engineering, Imperial College of Science &amp; Technology, London, United Kingdom</li> </ul>
<b>Working Experience and occupation</b>	
<b>Present Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>• Head of Sarawak &amp; Sabah, Gentari Renewables Sdn Bhd (100% owned subsidiary of PETRONAS)</li> <li>• Director, Gentari Suria Resi Sdn Bhd</li> <li>• Director, LCTAsia Sdn Bhd</li> <li>• Director, Billplz Qapital Berhad</li> </ul>

<b>Past Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>• Head of Corporate Ventures, Tenaga Nasional Berhad (2020 - 2022)</li> <li>• Head, Strategy, AirAsia Digital (2018 - 2020)</li> <li>• Managing Director of a Military Cybersecurity Company (2014 – 2017)</li> <li>• Managing Director, Endeavor Malaysia (2013 – 2014)</li> <li>• CEO, CaterhamJet Malaysia (2013)</li> <li>• Director, Asian Aviation Centre of Excellence (2011 – 2013)</li> <li>• Regional Head of Customer Experience, AirAsia (2011 – 2013)</li> <li>• Regional Head of Strategy and Planning, AirAsia (2010 – 2011)</li> <li>• Various senior positions in PETRONAS Group (2006 – 2010)</li> <li>• Formula 1 Electronics Engineer (2000 - 2005)</li> </ul>
<b>Shareholding in MBSB Berhad</b>	None
<b>ENCIK ARUL SOTHY MYLVAGANAM</b> Independent Non-Executive Director	
<b>Nationality / Age / Gender</b>	Malaysian / 68/ Male
<b>Date of Appointment</b>	5 May 2020
<b>Academic / Professional Qualification(s)</b>	<ul style="list-style-type: none"> <li>• Fellow, Association of Chartered Certified Accountants, UK (ACCA)</li> <li>• Fellow, Certified Public Accountants, Australia (CPA)</li> <li>• Member, Malaysian Institute of Accountants (MIA)</li> <li>• Certified Financial Planner</li> </ul>
<b>Working Experience and occupation</b>	
<b>Present Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>• Director, Takaful Ikhlas General Berhad</li> <li>• Director, Agensi Pekerjaan Hays (Malaysia) Sdn Bhd</li> <li>• Director, APJV Holdings Sdn Bhd</li> <li>• Principal, Myles Advisory</li> </ul>

<b>Past Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>• Director, Hays Specialist Recruitment Sdn Bhd (2012-2020)</li> <li>• Director, MNRB Holdings Berhad (2017 – 2019)</li> <li>• Director, Malaysia National Reinsurance Berhad (2016-2019)</li> <li>• Group Chief Operating Officer, PNB Commercial Sdn Bhd (2009 - 2011)</li> <li>• General Manager/ CFO, Syarikat Perumahan Pegawai Kerajaan Sdn Bhd (1995 – 2009)</li> <li>• Senior Manager – Audit, Ernst &amp; Young Kuala Lumpur (1987 – 1994)</li> <li>• Accountant, North American Travel, London, UK (1986 – 1987)</li> <li>• Simmons Cohen Fine &amp; Partners, Chartered Accountants, London, UK (1978 – 1985)</li> </ul>
<b>Shareholding in MBSB Berhad</b>	None
<b>ENCIK SHAWN CONRAD CAMPOS</b> Independent Non-Executive Director	
<b>Nationality / Age / Gender</b>	Malaysian / 53 / Male
<b>Date of Appointment</b>	1 September 2024
<b>Academic / Professional Qualification(s)</b>	<ul style="list-style-type: none"> <li>• Certified Public Accountant (CPA) Member, Malaysian Institute of Certified Public Accountants</li> <li>• Certified, Omega Credit Skills Assessment Programme</li> </ul>
<b>Working Experience and Occupation</b>	
<b>Present Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
<b>Past Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>• Director, RHB Bank Cambodia Plc. (2023 - 2024)</li> <li>• Director, RHB Bank Laos Co. Ltd. (2023 - 2024)</li> <li>• Group Chief Credit Officer, RHB Bank Berhad (2019 – 2024)</li> <li>• Deputy Group Chief Credit Officer, RHB Bank Berhad (2014 - 2019)</li> <li>• Senior Credit Manager/ Head of Credit Evaluation, RHB Bank Berhad (2008 - 2014)</li> <li>• Head of Compliance Competencies &amp; Knowledge Engineering Department, RHB Bank Berhad (2008)</li> <li>• Acting Head of Credit Compliance Department, RHB Bank Berhad (2007)</li> <li>• Various roles held in Credit Compliance Department, RHB Bank Berhad (2003 - 2007)</li> </ul>

- 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

*\*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 2024.*

**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 apex level) (replace Board Nominating and Remuneration Committee w.e.f. 26 July 2024); and
4. Board Investment and Credit 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 2024 are as follows:

#	Member	Attendance	Percentage
1	Encik Arul Sothy Mylvaganam (Chairman)	12/12	100%

	(Independent Non-Executive Director)		
2	Datuk Azrulnizam Abd Aziz (Member) Senior Independent Non-Executive Director (Appointed as Member on 6 June 2024)	7/7	100%
3	Encik Shawn Conrad Campos (Member) Independent Non-Executive Director (Appointed as Member on 1 September 2024)	4/4	100%
4	Datuk Johar bin Che Mat Senior Independent Non-Executive Director (Resigned as Member on 6 June 2024)	4/5	80%
5	Encik Ho Kwong Hoong Independent Non-Executive Director (Resigned as Member on 1 September 2024)	7/8	88%

**(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 2024 are as follows:

#	Member	Attendance	Percentage
1	Encik Ho Kwong Hoong (Chairman) (Independent Non-Executive Director)	15/15	100%
2	Encik Arul Sothy Mylvaganam (Member) (Independent Non-Executive Director)	15/15	100%
3	Encik Kamarulzaman bin Ahmad (Member) Independent Non-Executive Director	15/15	100%

**(iii) Board Nominating and Remuneration Committee (BNRC)**

The primary responsibilities of the BNRC are to assist the Board of MBSB Bank 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 the Directors.

The BNRC is also responsible for reviewing, appointing, removing and determining the remuneration package for the Key Senior Management of MBSB Bank and Company Secretary.

Based on the new Board Governance Framework for the enlarged Group, the existing nominating and remuneration committee at the subsidiaries level has been disbanded and the function of nominating and remuneration committee for the group has been consolidated and reside at the apex level i.e. MBSB.

The BNRC of MBSB Bank was disbanded effective 26 July 2024 and the roles and responsibilities of BNRC has been assumed by the Group Nominating and Remuneration Committee ("GNRC") of MBSB with effect from 1 August 2024.

The composition of the BNRC and the records of attendance of BNRC members until the disbandment on 26 July 2024 are as follows:

#	Member	Attendance	Percentage
1	Datuk Azrulnizam Abd Aziz (Chairman) Senior Independent Non-Executive Director	11/11	100%
2	Encik Ho Kwong Hoong (Member) (Independent Non-Executive Director)	10/11	91%
3	Encik Arul Sothy Mylvaganam (Member) (Independent Non-Executive Director) (Appointed as Member on 6 June 2024)	2/2	100%
4	Datuk Johar bin Che Mat Senior Independent Non-Executive Director (Resigned as Member on 6 June 2024)	9/9	100%

#### (iv) 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 2024 are as follows:

#	Member	Attendance	Percentage
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1	Datuk Azrulnizam Abd Aziz (Chairman) Senior Independent Non-Executive Director (Redesignated as Chairman on 6 June 2024)	23/23	100%
2	Encik Kamarulzaman bin Ahmad (Member) Independent Non-Executive Director (Appointed as Member on 6 June 2024)	13/13	100%
3	Encik Shawn Conrad Campos (Member) Independent Non-Executive Director (Appointed as Member on 1 September 2024)	7/7	100%
4	Encik Arul Sothy Mylvaganam (Independent Non-Executive Director) (Appointed as BICC Member on 6 June 2024) (Resigned as Member on 1 September 2024)	6/6	100%
5	Encik Szalaza bin Zainuddin Non-Independent Executive Director (Resigned as Member on 2 May 2024)	7/8	87.5%
6	Datuk Johar bin Che Mat Senior Independent Non-Executive Director (Resigned as Chairman on 6 June 2024)	10/10	100%

**(v) Board Information Technology Oversight Committee (BITC)**

BITC is the senior governance and policy making body for IT at MBSB Bank. Its role is to ensure that the organization's planning for and investment in IT supports the Bank's strategic goals and to provide an oversight on the IT Risk Management Framework.

The primary objectives of BITC are to assist the Board:-

- To oversee the IT strategic plan to ensure that the plan supports the overall organizational strategic business plan and the group IT strategic plan;
- To review the scorecard/KPI for Technology Division (TD) and periodic updates on scorecard performance and progress updates;
- To establish priorities and monitor status of IT projects and compliance towards service level agreements;
- To monitor overall IT expenditure (i.e. CAPEX and OPEX);
- To review, deliberate and recommend new/ revision/ amendments IT policies, framework and standards and security matters;
- To monitor the effectiveness in implementing key IT policies, such as the IT security policy and IT Risk Management Framework;
- To monitor the overall efficiency, performance and effectiveness of IT services, utilization and identify obsolescence;
- To review the adequacy and allocation of resources in Technology Division;
- To review and monitor the Bank's digitalisation strategy and initiatives;
- To review and to recommend to the Board for approval, the operational readiness of digital products to be launched and in line with the digital initiatives and business strategy of the Bank;
- To deliberate and endorse the outcomes of independent assessment on IT related matters conducted by the appointed third parties or consultants.

The composition of the BITC and the records of attendance of BITC members during the year 2024 are as follows:

#	Member	Attendance	Percentage
1	Encik Kamarulzaman bin Ahmad (Chairman) Independent Non-Executive Director	12/12	100%
2	Datuk Azrulnizam Abd Aziz (Member) Senior Independent Non-Executive Director	12/12	100%
3	Encik Ho Kwong Hoong (Member) (Independent Non-Executive Director)	12/12	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 2024 are as follows

Datuk Azrulnizam Abd Aziz	
1.	Cybersecurity Awareness Day (15 February 2024)
2.	Anty Money Laundering Awareness Session (7 March 2024)
3.	Sustainability and Climate Responsibility (10 May 2024)
4.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance (17 July 2024)
5.	Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024)
6.	Study Visit - Visit to Symphony Centre TOD & NZGCB Green Property Summit (12-22 August 2024)
7.	Sarawak Future Forum (10 October 2024)
8.	Cyber Security Awareness (16 October 2024)
9.	SACCC Silverlake Axis Customer Connect Conference 2024 - DaNang Vietnam (17-20 October 2024)
10.	Hajah & Darurah Policy Document (5 December 2024)
11.	Applying Lessons from the first 40 years of Takaful to drive Takaful into the future (9 December 2024)

Encik Arul Sothy Mylvaganam	
1.	Sustainability and Climate Responsibility (10 May 2024)
2.	Shariah requirements of BNM PD on Hajah & Darurah by MNRB by Prof Dr Engku Rabiah Adawiah Engku Ali (17 May 2024)
3.	Corporate Governance, MACC Act 2009 & AMLA 2001: Prevention, Detection & Collaboration in Fronting Compliance (17 July 2024)
4.	Business Continuity Management MNRB by Wahida Ali (1 August 2024)
5.	Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024)
6.	AMLA & ABC by Masilamani (2 September 2024)
7.	Shariah Training : Key Insights of Hajah and Darurah Principles & Applications (11 September 2024)

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|----|---|
| 8. | Cyber Security Awareness Briefing (11 September 2024) |
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<b>Encik Kamarulzaman bin Ahmad</b>	
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| 1. | Cybersecurity Awareness Day (15 February 2024)   |
| 2. | Site Visit to Solar Farm, Wemen, Victoria, Australia (20 July 2024)  |
| 3. | Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024) |
| 4. | Site Visit to INSTEP PETRONAS, Chemical Process Plant, Batu Rakit Terengganu (8 October 2024)  |

<b>Encik Shawn Conrad Campos</b>	
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| 1. | Shariah Training : Key Insights of Hajah and Darurah Principles & Applications (11 September 2024) |
| 2. | Cyber Security Awareness Briefing (11 September 2024)  |
| 3. | Mandatory Accreditation Programme Part I: Leading for Impact (LIP) (16-17 October 2024)            |

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

### 3. MIDF AMANAH INVESTMENT BANK BERHAD (MIDF IB)

#### 3.1 Board of Directors of MIDF IB

The Board of MIDF IB is responsible for overseeing the conduct of MIDF IB's business and the Management's implementation of MIDF IB's strategic objectives as well as its conduct and performance. The Board of MIDF IB also responsible for the overall Corporate Governance of MIDF IB in an effective and responsible manner. The Board of MIDF IB sets MIDF 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.

The Board of MIDF 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 of MIDF 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.

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

The composition of the Board of Directors of MIDF IB during the year 2024 and the records of attendance at Board Meeting held in the financial year ended 31 December 2024 are as follows:

#	Member	Attendance	Percentage
1	Datuk Mohd Nasir bin Ali (Chairman) Independent Non-Executive Director	19/19	100%
2	Dato' Kaziah binti Abd Kadir Independent Non-Executive Director (Resigned on 31 December 2024)	19/19	100%
3	Encik Ahlan Nasri bin Mohd Nasir Independent Non-Executive Director	18/19	95%
4	Encik Azlan bin Abdullah Independent Non-Executive Director	17/19	89%
5	Puan Norashikin binti Mohd Kassim Independent Non-Executive Director (Appointed on 1 August 2024)	6/6	100%
6	Encik Mohamed Rafe bin Mohamed Haneef Non-Independent Executive Director (Appointed on 1 February 2024) (Resigned on 19 August 2024)	10/10	100%

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

**DATUK MOHD NASIR BIN ALI**

Chairman / Independent Non-Executive Director

**Nationality / Age / Gender** Malaysian / 67 / Male

**Date of Appointment** 5 August 2019

**Date of Appointment as  
Chairman of the Board** 17 August 2022

**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, Badan Pengawas Pemegang Saham Minoriti Berhad
- JLand Group Sdn Bhd

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

- Chairman, Amanah Raya Berhad (2018-2020)
- Director, E.A. Technique (M) Berhad (2014 - 2024)
- Director, Damansara Holdings Berhad (2022-2023)
- Director, iCAPITAL. Biz Berhad (2021-2024)
- Director, Gold Li Development Sdn Bhd (2019-2022)
- Director, Gold Li Berhad (2022)
- Director, Value Partners Asset Management (M) Sdn Bhd

	<ul style="list-style-type: none"> <li>• Director, Amanah International Finance Sdn Bhd (2017-2022)</li> <li>• Director, International Commercial Bank (Tanzania) Ltd (2021-2022)</li> <li>• Director, ICB Islamic Bank Ltd, Dhaka (2014-2022)</li> <li>• Group Executive Director, Utusan Melayu (M) Berhad (2000-2014)</li> <li>• Chief Executive Officer, Kuala Lumpur City Securities Sdn Bhd (1995-2000)</li> <li>• General Manager of Dealing &amp; Research Department Mayban Securities Sdn Bhd (1991-1995)</li> <li>• Investment Manager, BBMB Unit Trust Management Sdn Bhd (1988-1991)</li> <li>• Senior Financial &amp; Marketing Analyst, Permodalan Nasional Berhad/Amanah Saham Nasional Berhad (1982-1988)</li> </ul>
<b>Shareholding in MBSB Berhad</b>	None
<b>DATO' KAZIAH BINTI ABD KADIR</b>	
Independent Non-Executive Director	
<b>Nationality / Age / Gender</b>	Malaysian / 75 / Female
<b>Date of Appointment</b>	30 June 2016
<b>Date of Resignation</b>	31 December 2024
<b>Academic / Professional Qualification(s)</b>	<ul style="list-style-type: none"> <li>• Bachelor of Arts (Honours) in Economics, University of Malaya</li> </ul>
<b>Working Experience and Occupation</b>	
<b>Present Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>• Director, Panasonic Manufacturing Malaysia Berhad</li> <li>• Advisor to PricewaterhouseCoopers Taxation Services Sdn Bhd ("PWC"), a position which she has held since July 2008.</li> </ul>
<b>Past Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>• Director, MIDF Amanah Investment Bank Berhad (2015-2024)</li> <li>• Director, Malaysian Industrial Development Finance Berhad (2015-2024)</li> <li>• Investor Relations Advisor, Investment Management Division of East Coast Economic Region Development Council (2009-2019)</li> <li>• Deputy Director General I, Malaysian Industrial Development Authority ("MIDA") (2005-2008)</li> <li>• Deputy Director General II, MIDA (2003-2004)</li> <li>• Director, MIDA (1996-2002)</li> <li>• Deputy Director MIDA (1981-1995)</li> <li>• Economist, MIDA (1975-1980)</li> </ul>

	<ul style="list-style-type: none"> <li>Assessment Officer, Inland Revenue Department (1974-1975)</li> </ul>
<b>Shareholding in MBSB Berhad</b>	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>ENCIK AHLAN NASRI BIN MOHD NASIR</b> Independent Non-Executive Director	
<b>Nationality / Age / Gender</b>	Malaysian / 57 / Male
<b>Date of Appointment</b>	4 April 2017
<b>Academic / Professional Qualification(s)</b>	<ul style="list-style-type: none"> <li>BA Jurisprudence, ST Anne's College, Oxford University, UK</li> <li>Certified Diploma in Accounting &amp; Finance, ACCA, UK</li> <li>Certified Legal Practice, Legal Qualifying Board, Malaysia</li> </ul>
<b>Working Experience and Occupation</b>	
<b>Present Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>Head Legal, Tenaga Nasional Berhad</li> </ul>
<b>Past Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>Legal Director, Danajamin Nasional Berhad (2009-2015)</li> <li>Partner, Messrs. Kadir Andri &amp; Partners (2015-2021)</li> <li>Partners, Messrs. Zaid Ibrahim &amp; Co (2006-2009)</li> <li>Partners, Messrs. Zain &amp; Co (2004-2006)</li> <li>Partners, Messrs. Abdul Raman Saad &amp; Associates (1997-2004)</li> <li>Director, MIDF Amanah Asset Management Berhad (2017 - 2022)</li> </ul>
<b>Shareholding in MBSB Berhad</b>	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>ENCIK AZLAN BIN ABDULLAH</b> Independent Non-Executive Director	
<b>Nationality / Age / Gender</b>	Malaysian / 67 / Male
<b>Date of Appointment</b>	18 May 2017
<b>Academic / Professional Qualification(s)</b>	<ul style="list-style-type: none"> <li>Bachelor of Science in Business Administration, Trinity University, San Antonio, Texas, USA</li> <li>Master's Degree in Business Administration, Morehead State University, Kentucky, USA.</li> <li></li> </ul>
<b>Working Experience and Occupation</b>	
<b>Present Directorship(s) and/or Appointment(s)</b>	<ul style="list-style-type: none"> <li>Managing Director, Langkawi Yacht City Berhad</li> </ul>

**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 / Gender** Malaysian / 54 / Female

**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 Master
- Bachelor (Honours) Mathematic, University of Oxford

**Working Experience and Occupation**

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

- Director, Chartered Institute of Islamic Finance Professionals
- Director, Ora Global Sdn Bhd
- Grand Council (Director), Chartered Islamic Finance Institute

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

- 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** • None

### 3.2 Board Committees of MIDF 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. Group Nominating and Remuneration Committee (at apex level) (replace Nomination and Remuneration Committee w.e.f. 1 August 2024); and
4. Board Investment and Credit Committee.

#### (i) Board Audit Committee (BAC)

Based on the new Board Governance Framework for the enlarged Group, the Audit and Compliance Committee of MIDF IB has been renamed to 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
- Effectiveness of Internal Audit and Compliance Functions
- Internal Controls Framework
- External Auditor
- Related Party Transaction

The composition of the BAC and the records of attendance of BAC members during the year 2024 are as follows:

#	Member	Attendance	Percentage
1	Encik Ahlan Nasri bin Mohd Nasir (Chairman) Independent Non-Executive Director	12/12	100%
2	Dato’ Kaziah binti Abd Kadir (Member) Independent Non-Executive Director (Resigned as Member on 31 December 2024)	12/12	100%
3	Encik Azlan bin Abdullah (Member) Independent Non-Executive Director	11/12	92%

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

Based on the new Board Governance Framework for the enlarged Group, the Risk Management Committee of MIDF IB has been renamed to 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 Head, IB Risk Management ("HIBRM").

(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, IB Compliance.

(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 2024 are as follows:

#	Member	Attendance	Percentage
---	--------	------------	------------

1	Encik Azlan bin Abdullah (Chairman) Independent Non-Executive Director	8/8	100%
2	Datuk Mohd Nasir bin Ali (Member) Independent Non-Executive Director	8/8	100%
3	Puan Norashikin binti Mohd Kassim (Member) Independent Non-Executive Director (Appointed as Member on 1 September 2024)	3/3	100%

### (iii) Nomination and Remuneration Committee (NRC)

The primary objectives of the NRC:-

- 1) To provide a formal and transparent procedure for the appointment of -
  - (i) Directors; and
  - (ii) Chief Executive Officer, and to develop a remuneration policy for Directors, Chief Executive Officer and Key Senior Management Officers.
- 2) To provide a formal and transparent procedure for assessment of the effectiveness of individual Directors, Board of Directors ("Board") as a whole and performance of Chief Executive Officer and Key Senior Management Officers.
- 3) To ensure that compensation is competitive and consistent with the licensed institution's culture, objective and strategies.

Based on the new Board Governance Framework for the enlarged Group, the existing nominating and remuneration committee at the subsidiaries level has been dissolved and the function of nominating and remuneration committee for the group has been consolidated and reside at the apex level i.e. MBSB.

The NRC of MIDF IB was disbanded in July 2024 and the roles and responsibilities of NRC has been assumed by the Group Nominating and Remuneration Committee ("GNRC") of MBSB with effect from 1 August 2024.

The composition of the NRC and the records of attendance of NRC members until the disbandment in July 2024 are as follows:

#	Member	Attendance	Percentage
1	Dato' Kaziah binti Abd Kadir (Chairman) Independent Non-Executive Director	5/5	100%
2	Encik Ahlan Nasri bin Mohd Nasir (Member) Independent Non-Executive Director	5/5	100%
3	Encik Azlan bin Abdullah (Member) Independent Non-Executive Director	5/5	100%

### (iv) Board Investment and Credit Committee (BICC)

Based on the new Board Governance Framework for the enlarged Group, the Credit Committee of Board of MIDF IB has been renamed to 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 2024 are as follows:

#	Member	Attendance	Percentage
1	Encik Azlan bin Abdullah (Chairman) Independent Non-Executive Director	13/14	93%
2	Encik Ahlan Nasri bin Mohd Nasir (Member) Independent Non-Executive Director	13/14	93%
3	Datuk Mohd Nasir bin Ali (Member) Independent Non-Executive Director	14/14	100%
4	Puan Norashikin binti Mohd Kassim (Member) Independent Non-Executive Director (Appointed as Member on 1 September 2024)	5/5	100%
5	Encik Mohamed Rafe bin Mohamed Haneef Non-Independent Executive Director (Appointed as Member on 2 February 2024) (Resigned as Member on 19 August 2024)	4/7	57%

**Board Training attended by Directors of MIDF IB**

The list of programmes, conferences, seminars or dialogues attended by the Board of MIDF IB in 2024 are as follows:-

**Datuk Mohd Nasir bin Ali**

- |    |  |
|----|--|
| 1. | Corporate Spotlight: Johor Corporation Heralding a New Growth Era for Johor (6 February 2024)  |
| 2. | Cybersecurity Masterclass (14 February 2024)   |
| 3. | BNM-FIDE FORUM: Responsibility Mapping Engagement with Directors of Financial Institutions (24 April 2024)                                 |
| 4. | ADFIM Leadership Power Talk with Tan Sri Rafidah Aziz (25 April 2024)  |
| 5. | Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024) |

**Dato' Kaziah binti Abd Kadir**

- |    |  |
|----|--|
| 1. | Corporate Spotlight: Johor Corporation Heralding a New Growth Era for Johor (6 February 2024)  |
| 2. | Cybersecurity Masterclass (14 February 2024)   |
| 3. | ADFIM Leadership Power Talk with Tan Sri Rafidah Aziz (25 April 2024)  |
| 4. | Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024) |
| 5. | Cyber Security Awareness Briefing (11 September 2024)  |

**Encik Ahlan Nasri bin Mohd Nasir**

- |    |  |
|----|--|
| 1. | Luncheon Talk: Awaiting Take-Off of Construction Sector with YB Datuk Seri Ahmad Maslan, Deputy Minister of Works (9 May 2024)             |
| 2. | Reputation and Crisis Management for Board, Board's Strategic Oversight and Stewardship in Sustainability and Climate Risk (5 August 2024) |
| 3. | Cyber Security Awareness Briefing (11 September 2024)  |

**Encik Azlan bin Abdullah**

- |    |   |
|----|---|
| 1. | Cybersecurity Masterclass (14 February 2024)            |
| 2. | Sustainability and Climate Responsibility (10 May 2024) |

**Puan Norashikin binti Mohd Kassim**

- |    |   |
|----|---|
| 1. | How Can Boards Make the Most of Blockchain & Digital Assets (20 September 2024)   |
| 2. | Fireside Chat Session: A Banker's Guide to Directorship: Navigating the Complexities and Responsibilities of Board Membership (27 September 2024) |
| 3. | Building and Strengthening Your Directorship Competency with Aspiring Directors Immersion Programme (30 September 2024)                           |

**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 2024.

The details of the internal audit function are disclosed in the "Audit Committee's Report" section of the Integrated Annual Report 2024.

**REMUNERATION****Explanation on the application of the practice:****Directors Remuneration Framework**

The Board of MBSB has established a Directors Remuneration Framework 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 for reviewing 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, MCCG and MMLR in place, the duties and responsibilities of Board have become onerous. As a result, the expectations of the 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.

In March 2024, the NRC and the Board had reviewed the Directors Remuneration Framework and recommended that the directors' fees structure and benefits remain unchanged. The resolutions on Directors' fees structure and benefits payable to Directors were tabled at the 54<sup>th</sup> AGM on 6 June 2024 in two (2) separate resolutions. Both resolutions were duly passed.

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 2024 are set out in Practice 8.1 of this CG Report.

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.

To ensure that the board remuneration structure of the Group is commensurate with the respective Directors' responsibilities and aligned with the industry practices, the GNRC had recommended and the Board had approved the appointment of Deloitte Business Advisory Sdn Bhd ("Deloitte") to conduct a board remuneration review for MBSB and its key subsidiaries. The last board remuneration review was conducted in 2019 by KPMG. The GNRC and the Board will consider the recommendation from Deloitte before recommending the Directors' fees structure and benefits payable to Directors to the shareholders for approval at the 55<sup>th</sup> AGM in 2025.

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 directors remuneration of MBSB for FY2024 is disclosed in Practice 8.2 of the CG Report.

The details of the directors remuneration of MBSB Bank and MIDF IB for FY2024 are as follows:-

**MBSB BANK**

<b>Name</b>	<b>Fees (RM'000)</b>	<b>Allowance (RM'000)</b>	<b>Benefit- in- Kind (RM'000)</b>	<b>Total (RM'000)</b>
Dato' Wan Kamaruzaman bin Wan Ahmad	155	63	61	<b>249</b>
Datuk Azrulnizam bin Abdul Aziz	173	171	-	<b>344</b>
Encik Kamarulzaman bin Ahmad	163	153	-	<b>316</b>
Encik Arul Sothy Mylvaganam	173	133	-	<b>306</b>
Encik Ho Kwong Hoong	182	153	-	<b>335</b>
Encik Szalaza bin Zainuddin	56*	35	-	<b>91</b>
Datuk Johar bin Che Mat	95	67	-	<b>162</b>

Encik Shawn Conrad Campos	52	45	-	<b>97</b>
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\* 50% of the Director's fees are paid to the organisation to whom the Director represents.

#### MIDF IB

<b>Name</b>	<b>Fees (RM'000)</b>	<b>Allowance (RM'000)</b>	<b>Benefit- in- Kind (RM'000)</b>	<b>Total (RM'000)</b>
Datuk Mohd Nasir bin Ali	130	63	2	<b>195</b>
Datuk Kaziah binti Abd Kadir	89	50	6	<b>145</b>
Encik Ahlan Nasri bin Mohd Nasir	111	77	5	<b>193</b>
Encik Azlan bin Abdullah	136	93	5	<b>234</b>
Encik Mohamed Rafe bin Mohamed Haneef	-	-	-	-
Puan Norashikin binti Mohd Kassim	38	23	7	<b>68</b>

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

#### 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 MIDF IB

The breakdown of the total amount of remuneration awarded to the GCEO for the financial year 2024 is as follows:

Name	Category	Cash-based (RM)	Total (RM)
Mohamed Rafe Bin Mohamed Haneef (GCEO) (01/01/2024 to 31/12/2024)	Fixed Remuneration	2,400,000	2,400,000
	Variable remuneration		
	• Non deferred	1,200,000	1,200,000
	• Deferred	-	-
	<b>Total remuneration for FY2024</b>	<b>3,600,000</b>	<b>3,600,000</b>

The breakdown of the total amount of remuneration awarded to the CEO of MBSB Bank for the financial year 2024 is as follows:

Name	Category	Cash-based (RM)	Total (RM)
Datuk Nor Azam M. Taib (CEO) (01/01/2024 to 30/06/2024)	Fixed Remuneration	600,000	600,000
	Variable remuneration		
	• Non deferred	400,000	400,000
	• Deferred	-	-
	<b>Total remuneration for FY2024</b>	<b>1,000,000</b>	<b>1,000,000</b>



The breakdown of the total amount of remuneration awarded to the CEO of MIDF IB for the financial year 2024 is as follows:

Name	Category	Cash-based (RM)	Total (RM)
Datuk Dominic Silva (CEO) (01/01/2024 to 10/10/2024)	Fixed Remuneration	2,479,285	2,479,285
	Variable remuneration		
	• Non deferred	1,064,540	1,064,540
	• Deferred	210,800	210,800
	<b>Total remuneration for FY2024</b>	<b>3,754,625</b>	<b>3,754,625</b>

#### 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 FY2024 are as follows:

Total value of remuneration for FY2024	Unrestricted	Deferred
<b>Fixed Remuneration</b>		
- Cash-based	<b>RM 12,998,477</b> (15 headcounts)	-
- Shares and share-linked instruments	-	-
- Other	-	-
<b>Variable remuneration</b>		
- Cash-based	<b>RM 4,897,520</b> (15 headcounts)	-
- Shares and share-linked instruments	-	-
- Other	-	-

Category	No of officer	Total Amount (RM)
Guaranteed bonuses	-	-
Sign-on awards/bonus	<b>1</b>	<b>400,000</b>
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 FY2024 are as follows:

Total value of remuneration for FY2024	Unrestricted	Deferred
<b>Fixed Remuneration</b>		
- Cash-based	-	-
- Shares and share-linked instruments	-	-
- Other	-	-
<b>Variable remuneration</b>		
- Cash-based	-	-
- Shares and share-linked instruments	-	-
- Other	-	-

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

