

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 5236  
**COMPANY NAME** : Matrix Concepts Holdings Berhad  
**FINANCIAL YEAR** : March 31, 2023

### **OUTLINE:**

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

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

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

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

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

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board of Matrix Concepts Holdings Berhad ("Matrix" or "the Group"), is the Group's highest decision making body. It continues to fulfil its fiduciary duties and to exercise reasonable care, skill &amp; diligence as set out by the following:</p> <ul style="list-style-type: none"><li>• Section 211 (1) and (2) and Section 213 (1), (2) and (3) of the Companies Act 2016.</li><li>• Board Charter</li><li>• Terms of Reference ("TOR") of its respective Board Committees.</li><li>• Code of Conduct for Directors and Employees</li><li>• Organisational and Corporate Policies:-<ul style="list-style-type: none"><li>i) Anti-Bribery and Anti-Corruption Policy,</li><li>ii) Code Of Ethics for Directors and Employees,</li><li>iii) Whistle Blowing Policy,</li><li>iv) Risk Management Framework,</li><li>v) Environment Management Policy</li><li>vi) Fit and Proper Policy</li><li>vii) Sustainable Procurement Policy and;</li><li>viii) Sustainability Policy.</li></ul></li></ul> <p>The aforementioned can be viewed at <a href="http://www.mchb.com.my">www.mchb.com.my</a>.</p> <p>The Board reviews and approves the Company's annual operating budget, its short, medium and long-term strategic goals and plans and other matters that may impact the Group's ability to create value for stakeholders. This includes risks, financial and non-financial sustainability related matters organisational culture and other matters.</p> <p>Increasingly, the Board is paying greater attention to environmental, social and governance ("ESG") matters, given the growing linkage between impacts arising from ESG and business / financial performance.</p>

	<p>The Board performs its many duties, through the composition of its main board as well as through the following Board Committees: the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”), Sustainability Committee (“SC”), Employee Share Option Scheme (“ESOS”) Committee and Risk Management Committee (“RMC”).</p> <p>Each Committee executes its duties in accordance to its respective Terms of Reference (“TOR”).</p> <p>Board members remain in engagement mode with stakeholders towards ensuring that the aspirations and concerns of key groups, i.e. institutional investors, government agencies and other parties are always given due consideration in guiding the Board’s strategic views and its decision making.</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

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>	:	The Board is helmed by its Non-Independent, Non-Executive Chairman, Dato’ Haji Mohamad Haslah Bin Mohamad Amin. The Chairman is in turn supported by the Executive Deputy Chairman, Dato’ Seri Lee Tian Hock.

	<p>The role of the Group Chairman and GEDC are as follows:</p> <ul style="list-style-type: none"> <li>• Continuing to drive sustainability and good corporate governance practices in the Group. This includes playing a leadership role on the Board's Sustainability Committee, working closely with the established Group Sustainability governance structure and ensuring that ESG matters are given prominence at all Board meetings, where relevant.</li> <li>• With the support of the Group Company Secretary, the Chairman and GEDC set the agenda for meetings and ensure that Board members receive complete and accurate information in a timely manner prior to Board meetings.</li> <li>• Driving active discussion on all matters brought to the Board, including Board papers. In ensuring that all matters have sufficient time for deliberation, the Chairman and GEDC also works closely with the Group Company Secretary to ensure that only an optimum number of matters are presented on the agenda.</li> <li>• Ensuring that the views of stakeholders, including minority shareholders, are represented or given due consideration within the Board's deliberation and decision making processes.</li> <li>• Ensuring that matters brought to the Board are well deliberated, with opposing or minority views also discussed and that the meeting has been conducted in an inclusive manner, with active participation of all board members and no single individual dominating the proceedings.</li> <li>• Adopting a majority voting or consensus approach to decision making with all dissenting votes and opinions clearly minuted.</li> <li>• The Group Chairman and GEDC are responsible for maintaining open lines of communication with the Executive Leadership, in particular the GMD and the Senior Management. This is to ensure that the Board has visibility on operational matters and remain updated on the tactical plans executed by Senior Management.</li> <li>• Representing the Board to shareholders and ensuring effective communication with stakeholders and that their views are communicated to the Board as a whole.</li> <li>• Ensuring that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.</li> </ul>
<p><b>Explanation for departure</b> :</p>	

*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 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Matrix's Chairman of the Board is Dato' Haji Mohamad Haslah Bin Mohamad Amin. The GEDC and Group Managing Director ("GMD") are Dato' Seri Lee Tian Hock and Mr. Ho Kong Soon respectively.</p> <p>The Chairman's role is detailed in Practice 1.2. The GMD's role is as follows:</p> <ul style="list-style-type: none"> <li>• Implementing the strategic agenda set by the Board by developing tactical or operational strategies, targets and goals to drive day-to-day management with the support of the entire Senior Management team.</li> <li>• Maintain close communication and ties with the Chairman and the Board of Directors towards ensuring that the Group's tactical plans and day-to-day operations are aligned with the Board's aspirations and the Group's vision and mission.</li> <li>• Progressively embedding ESG into the Group's business model, its organisational culture and its business and operational strategies.</li> <li>• The position of GMD is an Executive Directorship position. This is essential in enabling the GMD to attend and participate at Board meetings, to advise the Board in terms of company strategies and performance, to provide insights on market operating conditions and essentially provide a strategic, operational perspective towards enabling the Board to feel the actual on-ground scenario. This is to facilitate improved decision making.</li> </ul>

	<ul style="list-style-type: none"> <li>• The GMD, together with Senior Management, is responsible for ensuring adherence to the annual operating and Business Plan and budget, to adjust strategies where required in tandem to the external environment, to drive innovation and to develop an effective succession plan for the Group.</li> <li>• However, the GMD is responsible for not just sales, profit, return on capital and other financial performance benchmarks, but also in driving the overall value creation process for Matrix. This includes developing brand equity, achieving sustainable operations and ensuring that the Board's vision for good corporate governance is translated across day-to-day operations.</li> <li>• Effectively oversee the human resource of the organisation with respect to key positions and ensure the general well-being of employees, determination of remuneration as well as terms and conditions of employment for Executive Leadership and Senior Management in consultation with the Board if required, and the issues pertaining to the discipline of employees.</li> <li>• To represent the interest of Matrix with major clients, federal and state governments and their agencies, as well as the industry at large, towards ensuring general goodwill for Matrix.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

### Practice 1.4

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> :	Dato Haslah who is Chairman of the Matrix Board is not a member of any of the aforementioned committees. His strategic focus is to execute his fiduciary duties as Chairman of the Matrix Board as provided for in Practice 1.2.  In addition, Dato Haslah serves as Chairman of the Board Sustainability Committee.  Dato Haslah has also not received invitations by Matrix's AC, NC and RC to attend / participate in any meetings held by the aforementioned committees.
<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>Matrix's Group Company Secretary is Ms. Loo Kah Boon (MAICSA 0784630, SSM PC No 201908001700) who brings more than 35 years of related corporate secretarial experience to the Group.</p> <p>Ms. Loo has been with the Group since 2013. In her capacity as Group Company Secretary, Ms Loo provides corporate advisory to the Board, the GMD and the Senior Management on among others, company secretarial matters pertaining to the requirements and procedures for public listed companies.</p> <p>This includes advising on corporate governance matters as well as the fiduciary duties pertaining to Board members and Senior Management as per the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), the Companies Act 2016, the Malaysia Code of Corporate Governance 2021 ("MCCG") and other key regulations and regulatory bodies.</p> <p>The Group Company Secretary's function includes (but are not limited to):</p> <ul style="list-style-type: none"><li>• Attending to the overall group's corporate secretarial functions and advising the Board on its roles and responsibilities, including on corporate disclosures and compliance pertaining to the MMLR and the Companies Act 2016; to enhance the effective functioning of the Board and to ensure regulatory compliance;</li><li>• Monitoring and attending to all corporate governance developments and assisting the board in applying governance practices;</li><li>• Facilitating the orientation of new directors and assisting in director training and development;</li><li>• To serve as a focal point for stakeholder communications and engagement on corporate governance issues.</li></ul> <p>Other responsibilities include:</p> <ul style="list-style-type: none"><li>• Manage all board and committee meeting logistics, attend and record minutes of all Board and committee meetings and facilitate Board communication;</li></ul>



	<ul style="list-style-type: none"> <li>• Ensuring that Board procedures (especially those enshrined in the Company’s Constitution) and applicable rules are observed;</li> <li>• Preparing comprehensive minutes to document Board and shareholder’s meeting proceedings and ensure conclusions are accurately recorded;</li> <li>• Manage processes pertaining to the annual shareholders’ meeting; and carrying out other functions as deemed appropriate by the Board from time to time.</li> <li>• Manage and attend to all sustainability matters and is the designated Sustainability Officer for Matrix Group</li> </ul> <p>The Group Company Secretary coordinated and attended all board meetings in FY2023</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

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>All Directors receive board papers and other pertinent information at least five (5) to seven (7) days prior to Board meetings. This is to enable members to have sufficient time to review the papers and prepare themselves accordingly to participate effectively at the same meeting.</p> <p>In exceptional circumstances, where due to matters of urgency or importance, notice for Board meetings and supporting documents may be circulated within a shorter period, provided such a practice has jointly been agreed upon by all participating Directors, with the date, time and place of the same specified, including the order of business to be transacted.</p> <p>Where a particular subject matter requires further clarification before deliberation, the Board adjourns the meeting to allow management to provide the clarifications sought and any additional materials to the Board.</p> <p>Management would also provide further materials requested by the Board during the meeting in a timely manner.</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 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>Matrix's Board of Directors is guided by a well-defined Board Charter and Company's Constitution, which clearly defines the Board's collective roles and responsibilities, the individual responsibilities of Directors, and the specific roles of Executive, Non-Executive, Independent and Non-Independent Directors.</p> <p>The Board Charter also spells out the role of the Senior Independent Non-Executive Director ("SINED"). Other matters in the Board Charter are the roles of the Chairman, GMD, and matters reserved for the purview and decision of the Board.</p> <p>The Board Charter is revised from time to time in tandem with changes in regulations and the emergence of new corporate best practices. The Board Charter is available at <a href="http://www.mchb.com.my">www.mchb.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Matrix has established its Code of Conduct for Directors and Employees ("CCDE"), which can be viewed at <a href="http://www.mchb.com.my">www.mchb.com.my</a>.</p> <p>The CCDE sets out the organisational policies and practices with regards to good governance i.e. addressing corruption, bribery, abuse of power, sexual harassment, conflict of interest ("COI"), breach of privacy / confidentiality, insider trading, fair dealing, anti-competition, improper use of company assets, compliance with laws, rules and regulations, and so on.</p> <p>All new directors and employees are briefed on the CCDE during their induction or orientation process upon joining the Group. Communication on the CCDE is cascaded regularly across company communication channels as a reminder to employees.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Matrix established its Whistleblowing policy and the policy is reviewed periodically in tandem with changes in the regulatory environment as well as changes in recommended best practices for whistleblowing mechanisms.</p> <p>The Whistleblowing Policy complements the Group’s CCDE and Code of Ethics and Anti-Corruption &amp; Anti-Bribery (“ABAC”) Policy. Where relevant, the Whistleblowing Policy is also extended to provide oversight on the conduct and practices of suppliers, business partners and other stakeholders.</p> <p>The Whistleblowing Policy functions as a mechanism for anyone to make a report in good faith, on incidents where the Code of Ethics and Anti-Corruption &amp; Anti-Bribery Policy has been breached. The Policy provides a safe avenue for employees or even business partners across our value chain to report on incidents of fraud, corruption, discrimination, sexual harassment and any other form of unethical practice or illegal behaviour with full confidentiality provided and without any fear of reprisal.</p> <p>The AC is responsible for oversight of the Whistleblowing Policy while administration of the Policy is performed by the Group’s Audit Committee. The Senior Independent Non-Executive Director (“SINED”) (or the Chairman of the Board if the alleged wrongdoing involves the SINED) is designated to receive all whistleblowing reports.</p> <p>Under the policy, employees of even external parties may whistle blow with their identities remaining confidential to the SINED.</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 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>Matrix has developed a comprehensive sustainability governance structure which sees Board and Senior Management level involvement in driving the Group’s ESG agenda. The governance structure is multi-tiered and helmed by a Board level sustainability committee, comprising independent, executive and non-executive directors.</p> <p>The Sustainability Committee in turn, is supported by a designated Sustainability Officer and a Task Force comprising heads of all business division, which ensure an effective approach to driving the realisation of set key performance indicators and targets.</p> <p>Matters pertaining to sustainability are brought to the BSC on a regular basis and the committee executes its roles and responsibilities as prescribed by its TOR.</p> <p>Based on the report and information shared, the committee recommends action plans and improvements. It is also increasingly looking into the emergence of ESG risks that can impact the Group’s business model and stakeholder value creation going forward.</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 4.2**

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>In FY2023, the Matrix Board and Senior Management with the assistance of Sustainability Officer have developed a comprehensive ESG framework, which identifies key focus areas, material concerns as well as strategies to address environmental and social impacts and the assessment of performance through progressive realisation of set targets. For FY2023, Matrix’s Task Force has set up ESG performance indicators and targets for its operations.</p> <p>In addition, Matrix on an annual basis publishes a comprehensive standalone sustainability report which can be viewed on its website: <a href="http://www.mchb.com.my">www.mchb.com.my</a>.</p> <p>The report developed in accordance to Bursa Malaysia, GRI, FTSE4Good, SASB and other reporting frameworks, provides a detailed account of the Group’s ESG performance for the financial year under review</p> <p>Information provided include identification of material topics, stakeholder engagement activities, management approach to addressing material topics and performance achieved as well as plans going forward to improve sustainability performance.</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 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>All Board members continue to keep themselves abreast with the latest developments in the area of ESG. Beyond updating themselves on changes by the regulator, Bursa Malaysia, directors take it upon themselves to attend training sessions and to avail themselves to available information.</p> <p>As part of the Group's Learning series on ESG, several sessions as well as learning materials have been developed for the Board on climate change, sustainable financing, biodiversity and other topics.</p> <p>Board members also attend various other courses, seminars and conferences regarding sustainability, organised by the regulator or other external parties.</p> <p>Going forward, knowledge and competence of sustainability and related matters are being considered for inclusion in the Board's annual evaluation exercise.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:	Matrix is yet to assess the performance of its directors and senior management in terms of addressing material ESG risks and opportunities. The Group is presently developing a suitable mechanism for such assessments and the intention is to integrate ESG assessment into the annual Board Evaluation Exercise ("BEE") going forward, if possible.	
<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 Group is looking to undertake Board ESG performance assessment within the next 1-2 years.	
<b>Timeframe</b>	:	Within 1-2 years.	

### 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	
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<b>Explanation on adoption of the practice</b>	: The Board has designated its Sustainability Officer, Carmen Loo Kah Boon to be the management level sustainability champion for Matrix.  Ms Loo has been instrumental in the development of the Matrix ESG Framework and serves as the lynchpin between the Board and Senior Management and the working levels of the organisation in relation to sustainability.  At the Board level, Dato Haslah as the Chairman of the Sustainability Committee, provides the leadership for ESG related matter and at senior management level, the responsibility for ESG matters comes under the purview of GMD, Mr. Ho Kong Soon.
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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 5.1

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>	: Matrix's NC works diligently to ensure that the Group's board is consistently refreshed with new talents providing fresh insights and ideas while retaining a diversity of views and perspectives.  The NC aims to foster a diversity of views and perspectives that will facilitate a more objective and truly in-depth decision-making process.  All directors are assessed thoroughly based on criteria as laid out by the BEE which include fitness and proprietary assessment. All directors have met the desired threshold set by Matrix for retention based on their time commitment, performance, past contributions, attendance and participation in Board meetings as well as skills, knowledge and experience on related matters and other criterion.  Based on the advice of the NC and its own deliberation, the Board is satisfied with the performance of all retiring directors and have recommended them for re-election.
<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**

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>	:	As at 31 March 2023, Matrix's Board comprises nine (9) members, of which five (5) are Non-Independent Non-Executive Directors, thus fulfilling the criteria for a majority independent director composition on its board.  The Board is satisfied that the INEDs during FY2023, have demonstrated a high level of independence in acting in the best interests of Matrix and its shareholders.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Matrix adopted a policy to set the tenure of nine(9) years for INED. For FY2023, there were no Independent Directors whose tenure had exceeded the nine-year threshold.</p> <p>In accordance with the Board refreshment requirements, the Board does not practice the retention of independent directors beyond the 9-year cumulative limit. All independent directors shall retire upon reaching the tenure limit as stated</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 5.4 - Step Up**

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The Group has adopted this practice, which is clearly stated in The Matrix Board Charter, which can be viewed at: <a href="http://www.mchb.com.my">www.mchb.com.my</a> . At present, there are no Independent Directors whose tenure has exceeded a nine-year cumulative term.

### 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>In the nomination of new directors, Matrix's NC continues to adopt a policy of merit, with candidates being selected based on the following:</p> <ul style="list-style-type: none"><li>• Existing skills gaps within the present Board</li><li>• Emerging trends / changes within the macro-operating environment / industry</li><li>• The competence, expertise, track record and experience of the identified candidate (s)</li><li>• In the case of Independent Directors, their degree of independence in relation to the Group.</li><li>• Ability to render the necessary level of commitment to Matrix in fulfilment of their duties and responsibilities as a sitting Board Director.</li><li>• Director's commitment and knowledge on ESG matters.</li><li>• Fitness and Proprietary assessment</li></ul> <p>The present Board of Directors provide a unique mix of skills, experiences and perspectives based on their diverse professional backgrounds and knowledge. The profiles of the individual Board members can be viewed at the Board of Directors' Profiles section of the FY2023 Integrated Annual Report: <a href="https://www.mchb.com.my/investor-relations/annual-reports/">https://www.mchb.com.my/investor-relations/annual-reports/</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

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>	:	Beyond the recommendations of existing and past directors, shareholders and senior management, the search methods employed by Matrix's NC in finding suitable candidates include sourcing from a directors' registry as well as employing the services of recruiters or independent executive recruitment consultancies, whenever applicable.  The Group also considers the recommendations of Directors of other public listed companies, of business associates, especially those operating in a similar industry to Matrix and through other networking sources.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 5.7

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As part of the process for appointment of new director and annual board effectiveness assessment via a Board Assessment Evaluation, each director is required to execute such declaration pursuant to applicable laws, to disclose any conflict of interest, relationship with director or major shareholders, contract or possession of property and others. The retiring directors have undergone a fit &amp; proper assessment and the Board endorse the re-election of the retiring directors prior to the tabling at the annual general meeting.</p> <p>In addition, at each quarterly Board meeting, the Company Secretary will table to the Board a report to notify on any such interest, position or relationship that has been notified by a director.</p> <p>Detailed profiles of newly appointed director(s) will be available on Matrix's corporate website and Annual Report for shareholders' reference.</p> <p>The same procedures and applications are applied before nominating a Director for election or re-election by shareholders. All material information concerning the Director standing for election or re-election is available on the Directors' Profiles section of the Integrated Annual Report.</p> <p>The Board presents the findings of the overall Board evaluation including the performance of Directors seeking re-election at the annual general meeting in the Corporate Governance Overview Statements of the Annual Report to enable shareholders to make informed decisions. Statement Accompanying Notice for the forthcoming AGM will include the recommendation from the Board for the re-appointment of the Director.</p>



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

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>During the financial year, the Group's NC was chaired by Dato' Hajah Kalsom Binti Khalid, who is an Independent Non-Executive Director.</p> <p>Her experience and expertise are given in the Directors' Profile section of the FY2023 Integrated Annual Report: <a href="https://www.mchb.com.my/investor-relations/annual-reports/">https://www.mchb.com.my/investor-relations/annual-reports/</a>. Dato' Hajah Kalsom attended and chaired all NC Committee meetings.</p> <p>The key activities undertaken by the NC are also provided in the FY2023 Integrated Annual 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**

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>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Out of Matrix's nine directors, three(3) are women. They are Dato' Hajah Kalsom Binti Khalid, Ms. Chua See Hua and Ms. Loo See Mun, Connie, all of whom are Independent Non-Executive Directors.</p> <p>Thus, Matrix has achieved a 33% women representation on its Board and has fulfilled Practice 5.9.</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>	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
<b>Timeframe</b>	:	Others	

**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>Matrix's policies, targets and measures specific to injecting gender diversity into the Board of Directors is given in the Group's Board Charter.</p> <p>This includes making specific mention of the need of gender diversity as one criterion of achieving Board effectiveness; the others being professional skills, expertise, experience, level of independence and appropriate personal qualities.</p> <p>Furthermore, the Board Charter stipulates that the Board's NC (which is tasked to make recommendations on new directors) should, where possible, encourage the recruitment of women directors, where such candidates possess the necessary skills, expertise, experience, time commitment and level of independence to serve effectively on the Board of Matrix.</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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Matrix’s NC conducts an annual Board Evaluation Exercise (“BEE”) on all Board Directors. Specifically, the NC Chairman, facilitated by the Company Secretary, spearheads the BEE.</p> <p>Assessment comprises self and peer assessment based on the following criteria: attendance at meetings, contribution and participation at Board meetings and overall effectiveness in the discharge of the said director’s duties as well as a review of the individual competences and skill sets of each member.</p> <p>Matrix has adopted a Fit &amp; Proper Policy during the FY2023, the details of which are available for view at its website: <a href="http://www.mchb.com.my">www.mchb.com.my</a>.</p> <p>The BEE also takes into account ccommittees’ compositions, existing Board skills sets and skill gaps (if any). Going forward, length of tenure, fitness and propriety will also be a criterion of the BEE.</p> <p>The Board is also viewed in terms of its collective performance and this is measured against the Group’s financial and business performance for the financial year.</p> <p>The criteria for assessment and evaluation set for independent and non-independent as well as executive and non-executive director differs given their respective Board roles and responsibilities.</p> <p>Specifically, in the assessment of the GMD and GEDC the Group’s business and financial performance as well as the achievement of operational goals and targets have a stronger weightage as compared to the evaluation of independent directors.</p> <p>Going forward, ESG performance will also be a consideration factor in the performance assessment of directors.</p> <p>The Board is satisfied with its overall performance and the performance of its individual directors as per the findings from the BEE conducted for FY2023.</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 considers 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 Group has established clear guidelines for the remuneration of both Executive and Non-Executive Directors. This includes guidelines for independent and non-independent directors, as well as executive and non-executive directors and Senior Management as well as all employees.</p> <p>All the directors and senior management receive a performance assessment or appraisal. Directors and Senior Management are assessed based on set criteria.</p> <p>The Board as a whole, decides fees payable to Non-Executive Directors before they are presented for approval by shareholders at the Annual General Meeting. Individual directors recusing themselves on discussions and decisions regarding their own remuneration package. Directors' Fees are to be approved at the Group's AGM by shareholders annually and is to be paid out on a monthly basis as and when the services are incurred</p> <p>Remuneration for Executive Directors which are the GMD and GEDC and other key senior management is performance based; where both the performance of the Group and Company as well as individual performance is considered in determining the overall remuneration package.</p> <p>In addition, remuneration for Executive Directors will also commensurate with respective industry benchmarks for positions of a similar capacity.</p> <p>Directors' remuneration come under the purview of the Group's RC.</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 consider 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 Board has a RC who executes their responsibilities based on a defined TOR. The TOR can be viewed at <a href="http://www.mchb.com.my">www.mchb.com.my</a>.</p> <p>The TOR empowers the RC to review and recommend the remuneration packages of both non-Executive and Executive Directors.</p> <p>The TOR stipulates the process of determining remuneration based on several determinants, which include present industry benchmarks for remuneration, performance and contribution of Directors on an individual as well as collective basis, and in the case of Executive Directors, the performance of the Group and the Company for the financial year.</p> <p>The TOR enables the RC to determine a fair and competitive remuneration via a robust process of assessment that enables the Group to attract and retain high-calibre directors needed to provide the necessary strategic oversight to propel Matrix's success both in the short and long-term.</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>	:	The detailed disclosure of all Directors remuneration including fees, allowances and emoluments are all disclosed in Corporate Governance Overview Statement in the Integrated Annual Report 2023.

### Intended Outcome

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

### Practice 8.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>While Matrix prioritises transparency in disclosure as part of its overall approach to good corporate governance, in the matter of remuneration of its key senior management ("KSM"), the Group has departed from providing disclosure on a named basis and only disclosed in bands of RM50,000. The disclosure are only made for the top senior management</p> <p>Given the increasing competitive nature of the talent market, talent scarcity, especially for talents with the unique set of skills and experience required for Matrix's business operations as well as reasons of personal security, privacy and other reasons, Management is of the view that such disclosure is not in the best interest of the Group.</p> <p>Compensation is based on accepted industry benchmarks for the relevant positions based on expertise and experience. Additional remuneration such as year-end bonuses or performance rewards is based on merit in relation to the achievement of individual KPIs and Group's achievement of specific goals.</p> <p>The Company believes that the interest of shareholders will not be prejudiced as a result of the non-disclosure of the Senior Management's remuneration.</p> <p>Compensation is based on accepted industry benchmarks for the relevant positions based on expertise and experience. Additional remuneration such as year-end bonuses or performance rewards is based on merit in relation to the achievement of individual KPIs and Group's achievement of specific goals.</p>

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

<b>Measure</b>	: The Board will continue to reassess its practice pertaining to the disclosure of the remuneration of its senior management. In making its decision to continue the existing practice or to disclose remuneration on a named basis, the Board will consider the potential and actual implications of its decision to Matrix and its senior management team, as well as impacts on stakeholders, if any.
<b>Timeframe</b>	: Others Matrix intends to retain the present practice of non-disclosure of remuneration for its senior management going forward based on the reasons provided above.

**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>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Chairman of the AC is Mazhairul Bin Jamaludin while the Chairman of the Board is Dato' Haji Mohamad Haslah Bin Mohamad Amin. The Chairman of the AC is a qualified accountant and a member of MIA. He is also the Senior Independent Non-Executive Director of the Company.  The Company's financial statements and accounts are audited by an independent 3 <sup>rd</sup> party and is carefully scrutinised by the Group Finance department, before being presented to the Board for review and approval.
<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 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>	:	The Group applies this practice of a cooling-off period, which is clearly stated in the AC’s TOR, which can be found on <a href="http://www.mchb.com.my">www.mchb.com.my</a> .  At the moment, the Group has not appointed any former key audit partner(s) to its Board and therefore the AC.	
<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 AC has well defined policies and procedures as given in its TOR for the assessment of the external auditor, Messrs Crowe Malaysia PLT. The assessment of the external audit function is conducted annually based on the following criteria::</p> <ul style="list-style-type: none"><li>• Provision of written assurance of independence from the External Auditors throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;</li><li>• Level of service, independence, competence, audit quality, and resource capacity of the external auditor and scope of the audit;</li><li>• Quality and timeliness of reports furnished to the AC;</li><li>• Level of understanding demonstrated of the Group's business;</li><li>• Communication to the AC about new and applicable accounting practices and auditing standards and the impact to the Company's and Group's financial statements;</li><li>• The nature and extent of the non-audit services rendered and the appropriateness of the level of fees.</li></ul> <p>Having collectively assessed the external audit function, the AC together with the Group Managing Director ("GMD") and the Chief Financial Officer ("CFO"), are satisfied with the level of independence, objectivity and professionalism displayed for FY2023.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>Matrix has complied with this Step Up practice as all directors sitting on the AC are Independent Directors. Following is Matrix's AC composition for FY2023:</p> <ul style="list-style-type: none"><li>• Mazhairul Bin Jamaludin (Chairman /Senior Independent Non-Executive Director)</li><li>• Chua See Hua (Member / Independent Non-Executive Director)</li><li>• Dato' Hon Choon Kim (Member / Independent Non-Executive Director)</li><li>• Dato' Hajah Kalsom Binti Khalid (Member / Independent Non-Executive Director)</li><li>• Loo See Mun (Member / Independent Non-Executive Director)</li></ul> <p>The review of the composition of the AC has been conducted annually in accordance with Paragraph 15.20 of the Listing Requirements.</p>

### 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>Matrix's AC composition comprises Directors who are financially literate. The AC Chairman, Mazhairul Jamaludin and member, Loo See Mun are both certified accountant and member of MIA.</p> <p>All Matrix directors periodically attend a wide range of training, programmes and courses. This includes members of the AC, based on individual learning requirements as well as to stay abreast of financial or corporate developments.</p> <p>The AC will continue to undergo periodic training as and when needed in tandem with developments with auditing, accounting and other areas of expertise specifically relevant to the work of the AC.</p> <p>The Board is satisfied with the AC's performance as its Chairman and members possess the necessary knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC.</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 near 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>Matrix continues to strengthen its existing Group wide risk management framework. The framework is based on the triple defence mechanism, whereby monitoring, assessment and mitigation actions pertaining to risks rest at the working, management and Board levels.</p> <p>The framework is also being enhanced to incorporate and to address ESG related risks going forward.</p> <p>The framework is supported by Matrix's risk management tools. The Group has employed trained risk management professionals in key positions to identify and report on risks and where required, to take necessary action. Both the AC and RMC play an active role, coupled with internal personnel to effectively mitigate and manage risks.</p> <p>Risks by nature, cannot be totally eliminated, but the Group has taken all reasonable care and measures to reduce its exposure.</p> <p>The Group's appetite for risk is guided by a wide range of strategic factors. These include business aspirations and external conditions, internal operating conditions, availability of capitals and resources and other factors.</p> <p>These are evaluated against internal mechanisms such as a risk impact and likelihood matrix, stress tests, financial limits of control, requirements for check and balance mechanisms and other measures.</p> <p>For specific information on internal controls and the risk management framework, please refer to the Statement on Risk Management and Internal Control of the FY2023 Integrated Annual Report available at: <a href="https://www.mchb.com.my/investor-relations/annual-reports/">https://www.mchb.com.my/investor-relations/annual-reports/</a>.</p>
<b>Explanation for departure</b>	:	

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

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

### Intended Outcome

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

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

### Practice 10.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Matrix's Enterprise Risk Management (ERM) framework comprises a comprehensive risk impact and likelihood matrix that enables the Group to effectively assess the severity and probability of its risk factors, and to determine appropriate strategies to develop a suitable risk appetite in relation to its business operations.</p> <p>Other key features of the ERM include:</p> <ul style="list-style-type: none"><li>• Developing a comprehensive risk profile or register that clearly identifies operational, strategic, business and financial risks.</li><li>• Creating risk owners who are responsible for developing action plans for any relevant risk(s).</li><li>• Involving relevant individual business units via their respective working groups in the risk management and mitigation process in the spirit of a triple-line risk mitigation mechanism.</li><li>• Establishing clearly defined internal controls, authority and limits via a robust organisational structure, TORs for Board Committees and establishing relevant policies to reduce risk exposure across the organisation.</li><li>• Continuously monitor the action plans derived by the "Risk Owners" to address principal risks of the Group.</li></ul> <p>The ERM is supported by a triple line of defence approach that enables risks to be quickly identified, tracked, and managed accordingly at all levels of the organisation. This ensures that ownership of risk not just rests at the senior levels of the Group, but at the working levels, allowing the Group to respond promptly and effectively.</p> <p>For further information, please refer to the Statement on Risk Management and Internal Control in the FY2022 Integrated Annual Report available at: <a href="https://www.mchb.com.my/investor-relations/annual-reports/">https://www.mchb.com.my/investor-relations/annual-reports/</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

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>Matrix's RMC comprises a majority Independent Directors for FY2023 as per follows:</p> <ul style="list-style-type: none"><li>• Chua See Hua (Chairperson) <i>Independent Non-Executive Director</i></li><li>• Ho Kong Soon <i>Group Managing Director (Non-Independent Executive Director)</i></li><li>• Dato' Logendran A/L K Narayanasamy <i>Non-Independent, Non-Executive Director</i></li><li>• Dato' Hajah Kalsom Binti Khalid <i>Independent Non-Executive Director</i></li><li>• Mazhairul Bin Jamaludin <i>Senior Independent Non-Executive Director</i></li></ul> <p>The RMC has oversight in monitoring the effectiveness of the risk management framework and supporting systems and reports to the Board on any significant risk exposure.</p> <p>Independent of management, the RMC reviews and recommends to the Board the Group's risk management principles, frameworks and policies as well as monitors and assesses the risk appetite, risk tolerance and new risk types for the Group based on the present external environment, the Group's business strategies and its own financial and business strength or capacity.</p> <p>Other key functions of the RMC are as follows:</p> <ul style="list-style-type: none"><li>• Review reports on any material breaches of risk limits and the adequacy of proposed action.</li><li>• Review the effectiveness of the Company's internal financial controls, internal controls and risk management systems; and review and approve the statements to be included in the Integrated Annual Report concerning internal controls and risk management.</li><li>• Consider and approve the limits of risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its duties effectively and in accordance with the relevant professional standards.</li></ul>

	<ul style="list-style-type: none"> <li>• Recommend to the Board on the appointment / removal of risk officer.</li> </ul> <p>The RMC is supported by the AC, which also meets quarterly. The AC assesses the comprehensiveness and robustness of the Group's internal control systems to improve any weaknesses or non-compliance and to ensure that all principal financial, operational, business, compliance and other risks have been thoroughly mitigated.</p>
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### 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>Matrix has engaged an external party, Wensen Asia Consulting Sdn Bhd, to augment the Group's in-house auditor, which is the Group Internal Audit department.</p> <p>The use of an external party allows for a greater level of impartiality towards providing more robust check and balance of the internal audit ("IA") function, whose audit plan covers both operational and corporate levels of the Group.</p> <p>The IA function is guided by an AC approved internal audit plan and reports to the AC on a quarterly basis. The IA has direct access to the AC Chairman at all times. During FY2023, the IA team had conducted 12 internal audit assignments, with findings reported independently to the AC.</p> <p>The scope of the IA encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management and internal control processes in relation to the Group's defined goals and objectives.</p> <p>Internal Audit team performs routine audit on and reviews all operating units within the Group, with emphasis on principal risk areas. A risk-based approach is adopted towards planning and conduct of audits, which is partly guided by an ERM framework.</p> <p>Further details of the activities of the internal audit function are provided in the AC Report of the FY2023 Integrated Annual Report available at: <a href="https://www.mchb.com.my/investor-relations/annual-reports/">https://www.mchb.com.my/investor-relations/annual-reports/</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

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

### Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Head of Group Internal Audit, Encik Nik Li R.Deraman, reports functionally to the AC. Encik Nik does not have any personal relationships and is free from any conflict of interest situations that could potentially impair IA's independence and objectivity in the discharge of their duties.</p> <p>The Group's IA team comprises three (3) individuals, all of whom are trained professionals with the necessary qualifications and experience to undertake internal audits.</p> <p>The IA function is performed in accordance to the International Standards for the Professional Practices of Internal Auditing set by the Institute of Internal Auditors ("IIA").</p> <p>Furthermore, the internal audit function is supported by an external presence, Wensen Asia Consulting Sdn Bhd, which provides an additional level of check and balance in the execution of the internal audit function.</p>

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



### Intended Outcome

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

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Matrix places importance on stakeholder engagement given its strategic significance, particularly from the perspective of value creation, branding, reputation and relationships. Stakeholder engagement is also essential in driving the Group's ESG or sustainability agenda.</p> <p>Engagement is also important in ensuring that stakeholders obtain an accurate and fair perspective of the Group's performance, its business strategies and prospects and other important matters.</p> <p>In essence, Matrix has engaged a wide range of stakeholder entities, including federal and state governments, city and municipal councils, regulatory authorities, institutional, retail and minority shareholders, research and investment analysts, the community, media, customers and others.</p> <p>A comprehensive view of our stakeholder engagement efforts is provided in the Group's stand-alone Sustainability Report available at: <a href="https://www.mchb.com.my/sustainability/">https://www.mchb.com.my/sustainability/</a>.</p> <p>The Group has appointed designated spokespersons to represent Matrix when undertaking communication activities. These are primarily the Chairman of the Board, the GEDC and / or GMD to participate in media relations, investor relations and community relations activities and programmes.</p> <p>The Group also engages with the regulator as required including announcing its quarterly and year-end financial results on a timely basis. Financial results, major corporate exercises and announcements are distributed to the regulator, analyst briefings and the media to ensure that shareholders are aware of Group developments.</p> <p>In addition, the Group also participated in various investor analyst briefings and undertakes regular marketing and branding activities using conventional and digital media to promote its various business segments.</p> <p>Stakeholders may also contact the Board members or the Company via its Contact Us page on the Company's corporate website: <a href="http://www.mchb.com.my">www.mchb.com.my</a>.</p>

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

**Intended Outcome**

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>	:	<p>Matrix in its FY2023 Integrated Annual Report, has progressed to its 5<sup>th</sup> year of Integrated Reporting (&lt;IR&gt;) adoption. The Group continues to strengthen disclosures from a value creation perspective.</p> <p>In its third year, greater disclosure has been provided on the linkage between ESG topics and associated impacts to business and financial performance.</p> <p>The focus has been to transition from a purely financial / operational led narrative to a value creation based approach, where information is presented on the Group from a more comprehensive perspective beyond revenues, profits and financial returns.</p> <p>This includes the Group’s business model, its risks factors and future prospects and capability to sustain operations and value creation.</p> <p>Matrix will continue to strengthen its adoption of &lt;IR&gt; guiding principles and content elements in subsequent reports.</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 13.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>For the immediate past FY2023 Annual General Meeting (“AGM”), the Notice of AGM and the integrated annual report were distributed to shareholders within the stipulated 30 days for Practice 12.1.</p> <p>For our upcoming 26<sup>th</sup> AGM to be held on 30 August 2023, the Notice and report was circulated to shareholders on 28 July 2023, which is more than 30 days prior to the meeting.</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 13.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>At the last AGM held on 26 August 2022, all Directors were present and played an active part in the meeting.</p> <p>The Chairman of the meeting, who was the Chairman of the Board, encouraged attending shareholders to pose questions and to leverage on the AGM as an opportunity to better understand Matrix and to seek clarification on various matters. In particular, the Chairman reminded attendees to question or seek clarification on resolutions being put forward for vote.</p> <p>Questions posed to the Board were answered comprehensively to the satisfaction of shareholders.</p> <p>Beyond the formal question and answer session, Directors and Senior Management had a press conference to address questions posed to them from the media.</p> <p>Minutes of the AGM are uploaded to Matrix' website within 30 days from the date of meeting.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 13.3**

Listed companies should leverage technology to facilitate–

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>With the use of digital channels, specifically the Remote Participation and Voting (“RPV”) facilities during the virtual AGM, Matrix has effectively enabled remote meeting participation and voting.</p> <p>Shareholders were provided with the Administrative Guide to facilitate them in registering and accessing the remote meeting facilities.</p> <p>Voting was set at a specified time to enable shareholders to cast their votes online and until the Chairman announced at the close of the session. Prior to the voting session, the Chairman of the meeting, explained to the shareholders the procedures of online remote voting through the RPV facilities.</p> <p>An independent Poll Administrator was appointed to scrutinise voting procedures and results. Upon verification of the poll results, the Chairman declared whether the resolutions were carried.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: During the AGM, the Board had scheduled a Q&A session for shareholders.  The Chairman of the AGM, who was the Chairman of the Board, made several overtures to attendees to ask questions and to seek clarification. The Chief Financial Officer, Mr Tan Say Kuan gave a brief presentation overview on the Group's financial performance. Shareholder were also provided opportunities throughout the proceedings of the AGM for them to seek clarification on proposed resolutions as well as on the Company's performance presentation.  Written questions from shareholders are all addressed and responded during the AGM. Questions asked through chat functions were read out for the benefit of all stakeholders. All questions were reviewed and where there was insufficient time to answer questions, unanswered questions received written responses after the AGM from the Board or Senior Management.  Minutes of the AGM are available on the Matrix's corporate's website, for shareholders' reference.
<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.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>As mentioned in Practice 13.4, the 25<sup>th</sup> AGM of the Company was conducted on a fully virtual basis via live streaming and included mechanisms for stakeholders to actively participate. This includes tools or communication channels to ask questions via chat boxes or even by asking the Board directly in real time.</p> <p>The AGM had a live video feed so that shareholders could see the Chairman and who was speaking or addressing them at all times.</p> <p>Technical support was also available to attendees who needed assistance.</p> <p>The measures and actions as set out in Practice 13.4 that had been taken to ensure an effective AGM. The same will be effected for the forthcoming AGM of the Group.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	



**Intended Outcome**

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>	: Full Minutes of the AGM are uploaded within 30 days from the date of meeting.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

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

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