

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5202
COMPANY NAME : MSM MALAYSIA HOLDINGS 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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors (the "Board") of MSM Malaysia Holdings Berhad ("MSM" or the "Company") is collectively responsible for management and oversight of the Company's business and affairs. This includes making key strategic decisions, ensuring compliance with relevant rules and regulations as well as safeguarding the interest of the stakeholders, whilst upholding high standards of corporate governance and ethical conduct within MSM Group.</p> <p>In discharging its duties and functions effectively, the Board is guided by its Board Charter that sets out the principles responsibilities, which among others are as follows:</p> <ul style="list-style-type: none">• Establish and maintain corporate governance standards.• Review, provide direction and approve Management's proposals on strategic plan.• Oversee the conduct of MSM Group's business – monitor the financial performance against approved budget, determine dividend matters, review funding requirements and approve financial statements for timely lodgement and release.• Identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures.• Succession planning of the Board and Top Management.• Oversee the development and implementation of Shareholder Communication Policy.• Review the adequacy and integrity of management information and internal control system. <p>The Board maintains a schedule of key matters reserved for its decision. To support the Board, various Board Committees have been established. The delegation of authority is clearly defined in the respective Terms of Reference ("TOR"). The Board Charter and the Board Committees' TOR are accessible on MSM's corporate website at https://www.msmsugar.com/our-company/corporate-governance.</p>

	<p>The Board also delegates the execution of strategy, operations, and the day-to-day management of the Group to the Group Chief Executive Officer (“Group CEO”), who is supported by the Executive Committee (“EXCO”).</p> <p>The MSM Business Plan 2025-2027 (“BP27”), encompassing key operational and financial targets, improvement and growth plans, capital expenditure, manpower planning, strategies and initiatives of the Group for the years 2025 to 2027, was presented and approved by the Board.</p> <p>MSM BP27 outlines the Key Initiatives (“KI”), which include Key Strategic Initiatives (“KSI”) and Key Operational Initiatives (“KOI”) from the period from 2025 to 2027, as follows:</p> <p><u>2025</u></p> <ul style="list-style-type: none"> • Further strengthen domestic market via greater direct distribution and expand customer base with last mile. • Continue widening sales channels with new Stock Keeping Unit (“SKU”) via new product development initiative • Optimize selling prices for each SKU in line with fluctuation of our input cost. • Reinforce Gula Super campaign via Advertising & Promotional (“A&P”) to develop our brand value. • Intensify local presence in key markets e.g. Singapore and Indonesia and future for Vietnam, Philippines and China and to further increase market share in Asia Pacific. • Foster strategic partnership to secure guaranteed offtake in key markets. • Prudent hedging strategies to mitigate the impact of fluctuations in input costs e.g. raw sugar, FOREX and freight cost. • Explore MSM Sugar Refinery (Johor) Sdn Bhd’s (“MSM Johor”) expansion opportunities on Liquid Sugar for volume expansion into China market. • MSM Johor stabilizes the Utilization Factor (“UF”) to drive profitability through operational excellence, enhancing Yield and steam efficiency. By benchmarking MSM Prai Berhad (“MSM Prai”), MSM Johor effectively reduces natural gas usage, further improving steam efficiency and minimizing its carbon footprint. • Enhance reliability through preventive maintenance and production optimization to reduce the risk of unplanned shutdowns. • Strategic plan to ensure MSM Prai’s operation sustainability including rejuvenation plan, production optimisation and improving effluent treatment systems towards complying with the latest Department of Environment (“DOE”) requirements.
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	<p><u>2026</u></p> <ul style="list-style-type: none"> • Growing the sugar universe, aiming to become a regional refined sugar exporter, capturing 10% of the APAC market share. • Step up Value-Added Products production and sales growth. • Continuously enhancing operational excellence year on year to maximize the Group's production capacity and efficiency. • Continuation of the MSM Prai Rejuvenation Program to extend the plant's operational lifespan. • Integration into complementary segments with higher margins, while identifying strategic opportunities in food, sugar-related businesses, and bio-chemicals. <p><u>2027</u></p> <ul style="list-style-type: none"> • To become an essential food commodity company with diversified revenue growth through complementary business capabilities. • Expand midstream and distribution processes by driving export growth, reinforcing the domestic market, and increasing penetration in the Near Region. • Optimize MSM Johor, achieving mature levels of average UF and yield with the addition of a new brown sugar line. • Complete the revitalization of MSM Prai through the ongoing Rejuvenation program. • Group EBITDA achieves >RM300 million • Grow Export beyond 10% APAC market share • Renewable energy commissioning i.e. Biomass boiler in MSM Johor • MSM Group operations aim to achieve carbon neutrality, integrated with strong sustainable values. <p>Further details on MSM BP27 strategies are available on pages 56 to 63 of the Annual Integrated Report 2024 (“AIR 2024”).</p> <p>The elements of sustainability were embedded in the KI of MSM BP27 as follows:</p> <ul style="list-style-type: none"> • Sustainable Manufacturing Performance; • Growing a Sustainable Operation with better Energy Planning and Green Energy; and • Sustainability Targets to ensure better alignment to the initiatives and Sustainable Development Goals (“SDGs”). <p>The Key Initiatives were also translated into Key Performance Indicators (“KPIs”) for Management to facilitate the Board during the annual performance review. Similarly, the progress and achievements of the annual budgets and KPIs were presented to the Board for review.</p> <p>Through the Audit, Governance and Risk Committee (“AGRC”), the Board sets the Company’s policies to manage the key risks faced by the Group, where appropriate. On a quarterly basis, Management presented their reports to the Board, covering the following aspects, among others:</p>
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	<ul style="list-style-type: none"> • Updates on financial and non-financial matters; • Updates on corporate governance activities, group risk register and business continuity Management; and • Updates on MSM Johor ramping up plans. <p>All relevant information affecting the Company and Group can be assessed by the stakeholders on MSM's corporate website at www.msmsugar.com, which is updated regularly. Other communications and engagements with stakeholders were also conducted to understand their expectations and to undertake various improvement initiatives.</p> <p>Further details on how the Group engages its stakeholders are available in the "Engaging with Our Stakeholders" section of the AIR 2024 or the "Stakeholder Engagement" section in the Sustainability Report 2024 ("SR 2024").</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is Datuk Syed Hisham Syed Wazir, an Independent Non-Executive Director, whose profile can be found on page 110 of the AIR 2024.</p> <p>Datuk Syed Hisham Syed Wazir has demonstrated effective leadership in guiding the Board both within and outside the boardroom, upholding high standards of corporate governance. He ensures that every decision is made in the best interest of the Company and its stakeholders while fostering a collaborative environment where all Directors are encouraged to contribute their ideas, leading to consensus-driven discussions.</p> <p>The Chairman's roles, as outlined in the Board Charter, include but are not limited to the following:</p> <ul style="list-style-type: none">a) Ensure that all Directors are enabled and encouraged to participate at Board meetings;b) Guide and mediate the Board's actions with respect to organisational priorities and good governance;c) Be clear on what the Board has to achieve, both in the long-term and short-term;d) Ensure the Board behaves in accordance with the Board Charter;e) Ensure the Board meetings are conducted effectively with all matters tabled in the agenda are carefully and thoroughly considered, Directors are given the opportunity to effectively contribute, all Directors receive timely information and are properly briefed to enable the Directors to make clear decisions and resolutions are noted;f) Fully informed of current events by the Group CEO on all matters which may be of interest to Directors;g) Be the major point of contact between the Board and the Group CEO;h) Undertake appropriate public relations activities together with the Group CEO;i) Ensure the Directors look beyond their executive functions and accept their full share of the responsibilities;j) Review progress regularly together with the Group CEO on important initiatives and significant issues facing the Group; andk) Initiate and oversee the Group CEO's annual performance evaluation process.

	The Board Charter is available on MSM's corporate website at https://www.msmsugar.com/our-company/corporate-governance .			
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Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>In line with good corporate governance principles, the positions of Chairman of the Board and Group CEO are held by separate individuals, ensuring a clear segregation of responsibilities as defined in the Board Charter. This separation promotes accountability and prevents any single individual from unduly influencing the Board's discussions and decision-making.</p> <p>The Chairman of the Board is Datuk Syed Hisham Syed Wazir, while the Group CEO is Syed Feizal Syed Mohammad.</p> <p><u>Chairman</u></p> <p>Datuk Syed Hisham Syed Wazir is primarily responsible for providing leadership in the conduct of the Board, Group CEO, and Management, while also guiding the Board in its collective oversight of Management.</p> <p>Since his appointment as Chairman, he has successfully fulfilled his responsibilities, encouraging Directors to engage in constructive discussions and focus on the Company's key matters during Board meetings. He places strong emphasis on the quality, adequacy, and accuracy of information presented to the Board.</p> <p>Datuk Syed Hisham Syed Wazir is well regarded and respected by both Directors and Management for his extensive knowledge, experience, dynamism and professionalism. He promotes open deliberations and actively seeks views from Directors and Management during Board meetings.</p> <p>The hands-on Chairman continues to drive Top Management to elevate the Group's performance standards.</p> <p><u>Group CEO</u></p> <p>The Group CEO is responsible for designing, developing and implementing strategic plans for the organisation in a cost and time-efficient manner. In addition to overseeing the day-to-day operations of the Company, the Group CEO collaborates with the Board to develop business plans. The Group CEO is accountable to the Chairman of the Board and reports to the Board on a regular basis.</p>

	<p>Syed Feizal Syed Mohammad provides leadership to MSM Group, driving its strategic direction in alignment with the Company's business strategic plan, risk appetite, policies, action plans and targeted performances as approved by the Board. Primarily, the Group CEO ensures the ongoing success of the Group by being accountable for all aspects of the management and development of the Group.</p> <p>Under the leadership of Syed Feizal Syed Mohammad, MSM has developed strong engagement with various stakeholders and established robust collaboration within the network of local industry players, including governmental bodies (ministries and agencies), analysts, suppliers, and vendors. Syed Feizal Syed Mohammad and Management have been committed to progressively turning around MSM and restoring all stakeholders' confidence.</p> <p>The roles and responsibilities of the Chairman of the Board and Group CEO are clearly documented in the Board Charter, which is available on MSM's corporate website at https://www.msmsugar.com/our-company/corporate-governance.</p>	
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Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees’ meetings, by way of invitation, then the status of this practice should be a ‘Departure’.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Datuk Syed Hisham Syed Wazir, is not a member of the Audit, Governance and Risk Committee (“AGRC”) and the Nomination and Remuneration Committee (“NRC”).</p> <p>Since his appointment to the Board, the Chairman has never been a member or invitee of the AGRC or NRC.</p> <p>This practice reinforces the independence of the oversight functions when deliberating on the observations and recommendations put forth by the Board Committees. It also to ensures check and balances, as well as an objective review by the Board.</p>
Explanation for departure	:	
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Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The MSM Board is supported by a suitably qualified and competent Company Secretary, who possesses the requisite qualifications and experience to provide sound governance advice to the Board.</p> <p>Azni Ariffin is the Company Secretary of MSM and its Group of Companies, qualified under Section 235 of the Companies Act, 2016.</p> <p>With over 30 years of experience in corporate governance, corporate secretarial, commercial and corporate laws as well as consulting work relating to cross-border legal issues and agreements, Azni Ariffin is well-equipped for her role. She is a law graduate, called to the Bar as an Advocate & Solicitor and licensed by the Companies Commission of Malaysia. She is also a graduate of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The profile of the Company Secretary is provided on page 119 of AIR 2024.</p> <p>The Company Secretary had carried out the responsibilities as defined in the Board Charter which among others:</p> <ul style="list-style-type: none">a) Oversee all Board business including coordinating meeting agendas, board papers, recording minutes of meetings, managing communication with regulatory bodies and all statutory and other required submissions;b) Provide unimpeded advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance;c) Ensure that the Board's procedures and applicable rules are observed;d) Maintain records of the Board and Board Committees and its respective meetings and ensure effective management of the Company's records;e) Prepare comprehensive minutes to document Board's proceedings and ensure conclusions are accurately recorded;f) Disseminate information in a timely manner relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements;

- g) Carry out other functions as deemed appropriate by the Board from time to time;
- h) Assist the Board with interpreting legal and regulatory acts related to the listing rules and international regulations and developments; and
- i) Advise the Board on its obligatory requirements to disclose material information to the shareholders and financial markets on a timely basis.

The Company Secretary also ensures that the summary discussions and decisions of the Board and the Board Committees are promptly communicated to the Management for appropriate action.

The Company Secretary assisted the Chairman and the Board in the conduct of the 2024 Annual General Meeting (“AGM”) and ensured that the proceedings were properly recorded. Additionally, the Company Secretary ensured that the virtual AGM was conducted in compliance with the Company’s Constitution, relevant laws and regulations.

To stay abreast of the latest developments in the relevant laws and requirements, the Company Secretary attended the following courses and trainings during the financial year:

No.	Training	Organiser	Date
1.	Conflict Resolution in the Boardroom	MAICSA	29 February 2024
2.	Violations of the Companies Act 2016: Oversights by Directors and Secretaries	MAICSA	4 March 2024
3.	Role of Company Secretary in Corporate ESG Strategy	MAICSA	11 March 2024
4.	Preference Shares - Steps to Issue, Redeem and Convert	Suruhanjaya Syarikat Malaysia (SSM)	25 April 2024
5.	The 21 st Century Corporate Board – Your Complete Roadmap to Modern Governance Practices	Kexxel Group	27 & 28 June 2024
6.	Recent Developments with the Listing Requirements, Including COI Amendments	CKM Advisory Sdn Bhd	4 July 2024
7.	Managing Whistleblowing	Minority Shareholders Watch Group (MSWG)	23 September 2024

	<table border="1"> <thead> <tr> <th>No.</th> <th>Training</th> <th>Organiser</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>8.</td> <td>What Can Seriously Go Wrong with RPTs? - Understand the Legal Requirements and Gain Insights from Recent Case</td> <td>MSWG</td> <td>24 September 2024</td> </tr> <tr> <td>9.</td> <td>Prevent Corruption and Promote Good Governance in Your Business</td> <td>SSM</td> <td>9 December 2024</td> </tr> </tbody> </table>				No.	Training	Organiser	Date	8.	What Can Seriously Go Wrong with RPTs? - Understand the Legal Requirements and Gain Insights from Recent Case	MSWG	24 September 2024	9.	Prevent Corruption and Promote Good Governance in Your Business	SSM	9 December 2024
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	9.	Prevent Corruption and Promote Good Governance in Your Business	SSM	9 December 2024												
The Board is satisfied with the performance and support rendered by the Company Secretary in discharging her functions during the financial year under review.																
Explanation for departure	:															
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Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>To enhance the effectiveness of Board meetings and ensure in-depth deliberations, meeting agendas are sequenced by considering the complexity of the matters to be tabled for approval, discussion, or notation by the Board. The meeting agendas are determined by the Chairman of the Board and the respective Board Committee, in consultation with the Group CEO and the Company Secretary, and in reference to the responsibilities and duties of the Board and its Board Committees.</p> <p>As part of MSM's initiatives to reduce paper usage, aligned with MSM's cost optimisation exercise and Environmental, Social and Governance ("ESG") principles, all Board and Board Committee meeting materials, such as notices of meetings, agendas, and proposal papers ("Board Meeting Pack"), were uploaded and circulated to the Directors via Convene, a dedicated software with high security standards. This allows Directors to access the meeting materials securely from anywhere, at any time.</p> <p>The Board Meeting Packs for scheduled meetings were distributed to the Directors in advance, allowing sufficient time for them to review the meeting materials and facilitate effective and objective discussions during the meetings. However, for urgent matters, board papers submitted to the Company Secretary within a shorter period are still acceptable, subject to the approval of the Chairman of the Board and the Chairman of the respective Board Committee.</p> <p>Complex issues and critical matters requiring thorough and effective discussion were presented at the Board meetings to enable the Board to make objective decisions. Administrative or non-operational matters, with the Chairman's consent, were circulated to the Board via Directors' Circular Resolution ("DCR"), accompanied by relevant board papers in the prescribed format. All approved DCRs were subsequently tabled for the Board's confirmation at the next scheduled Board meeting.</p> <p>When necessary, Management and/or external advisors were invited to attend Board and Board Committee meetings to provide insights, professional opinions, advice, and explanation on specific agenda items as presented at the meetings.</p>

	<p>Following each Board and Board Committee meeting, summaries of the decisions and actions to be taken were prepared and communicated to the relevant Management personnel to ensure prompt dissemination efficient action. Meeting minutes were accurately prepared to capture all issues raised, discussions, deliberations, decisions and conclusions, including dissenting views expressed by the Directors, at Board and Board Committee meetings along with clear actions to be taken by responsible parties. Further, the status of matters arising along with clear actions to be taken by responsibilities parties was presented at the next scheduled meeting for updates or further discussion until completion.</p> <p>The final draft minutes of the Board and Board Committee meetings were circulated to all Board members and the Chairman of the Board Committee in a timely manner. This allowed the Board members and Chairman of the Board Committees to review, provide comments, and seek clarifications on the minutes before confirming them as true and correct records of the meeting.</p>			
Explanation for departure	:			
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Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a Board Charter that serves as a constitution and primary reference for the Board members, which is periodically reviewed. The Board Charter sets out, among others, the following:</p> <ol style="list-style-type: none">1) the roles and responsibilities of the Board2) the balance and composition of the Board3) the Board's authorities4) the schedule of matters reserved for the Board5) the establishment of the Board Committee6) the process and procedures for convening Board meetings7) the Board's assessment and review of its performance8) the compliance and ethical standards9) the accessibility by the Board to information and advice and declarations of conflict of interest. <p>The Board's decisions are supported by the respective Board Committees, which are responsible for deliberating issues within their scope and presenting recommendations to the Board for final approval. Each Board Committee is guided by its TOR, which describes the purpose, scope and authority of the committee. All TORs are periodically reviewed to ensure consistency with the Company's needs and statutory requirements.</p> <p>The Board Charter and TOR for each Board Committee incorporate relevant regulations and best practices to ensure alignment with the Board's objectives and responsibilities. These documents are available on MSM's corporate website at https://www.msmsugar.com/our-company/corporate-governance.</p>
Explanation for departure	:	

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Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p><u>Director's Code of Ethics and Conduct ("CoEC") and Director's Code of Business Practice ("CoBP")</u></p> <p>As a subsidiary of FGV Holdings Berhad ("FGV"), MSM observes FGV's CoEC and CoBP ("Codes"). The Codes require all Board of Directors within the FGV Group, including MSM, to comply and adhere to them, ensuring that business conduct is consistently carried out ethically and with integrity.</p> <p>The Codes provide the fundamental guiding principles and outline the ethical standards of behaviour and conduct expected from all Directors of MSM Group. The Codes clearly reflect the Board's top-level commitment and assurance that MSM Group adopts a zero-tolerance approach towards fraud, bribery, corruption and any form of dishonesty in its business dealings. This also includes addressing conflict of interest, insider trading and money laundering.</p> <p>The CoEC and CoBP are available on MSM's corporate website at https://www.msmsugar.com/our-company/corporate-governance.</p> <p><u>Employee Code of Business Conduct and Ethics</u></p> <p>The Code of Business Conduct and Ethics ("CoBCE" or the "Code") outlined business conduct and ethical practices that enable MSM employees to understand their duties and responsibilities towards MSM Group. The Code sets out the standards of behaviour expected of all employees in their engagement with customers, colleagues and other stakeholders. The Code leave no room for improper solicitation, bribery, insider trading, money laundering or any other form of corrupt activities.</p>

	<p>MSM Anti-Bribery Policy Statement</p> <p>MSM has also established an Anti-Bribery Policy Statement (“Policy Statement”) to comply with Paragraphs 15.29 (1) and (2) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Listing Requirements”) and is guided by the Guidelines on Adequate Procedures, Section 17A (5) of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009 (Amendment 2018). This Policy Statement sets forth the MSM’s commitment to applying the highest standards of ethical conduct and integrity in its business activities by implementing adequate policies and procedures for the prevention of corruption and bribery.</p> <p>The following seven (7) key policies are related to corruption and bribery which are covered under the Policy Statement:</p> <ol style="list-style-type: none"> 1) Whistleblowing Policy 2) Asset/Personal Interest Declaration Policy 3) External Gift, Entertainment and Hospitality Policy 4) Sponsorship and Donation Policy 5) Code of Business Conduct Ethics for Employees 6) Conflict of Interest Policy 7) Referral Policy <p>There are three (3) key focus areas examined under the Anti - Bribery Policy Statement – Corruption, Fraud and Abuse of Power. A copy of the Policy Statement is available on MSM’s corporate website at https://www.msmsugar.com/our-company/corporate-governance.</p> <p>Fit and Proper Policy</p> <p>MSM has in place a fit and proper policy for the appointment and re-election of its directors named MSM Board Nomination and Election Policy and Procedures (“BNEP”). The BNEP formalises the policies on Board Composition including Diversity (gender, age, ethnicity and cultural background), Independence, Conflict of Interest and Board Assessment required to meet the needs of the Group. The summary of fit and proper policy is available on MSM’s corporate website at https://www.msmsugar.com/our-company/corporate-governance.</p>
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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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p><u>MSM Whistleblowing Policy</u></p> <p>In alignment with the Group's strive for sustained ethical business practices and conduct, MSM Group has established a Whistleblowing Policy ("Policy") that delineates the oversight and responsibilities associated with the whistleblowing reporting process. The Policy is meticulously designed to safeguard and maintain the confidentiality of whistleblowers in the MSM Group. Initially established in 2020, the Policy underwent revisions in 2022 and 2024 to ensure its continued relevance and alignment with prescribed requirements and best corporate governance ("CG") practices.</p> <p>The Policy aims to maintain the highest standard of ethics and legal conduct within the Group with the following objectives:</p> <ul style="list-style-type: none">a) provide avenues for employees to disclose any act of wrongdoing;b) assure the employees that they will be protected from reprisals, discrimination or victimisation for whistleblowing in good faith;c) provide a formal mechanism for action on all reports made; andd) take necessary action of any improper conduct reported by other sources. <p>The Policy enables the reporting individual to report on alleged unethical behaviour within the Group such as, but not limited to the following:</p> <ul style="list-style-type: none">a) Malpractice, impropriety, fraud and embezzlements.b) Misappropriation of assets and funds.c) Criminal breach of trust.d) Illicit and corrupt practices.e) Questionable or improper accounting.f) Misuse of confidential information.g) Acts or omissions, which are deemed to be against the interest of the Group, laws, regulations or public policies.h) Breaches of any rules, regulations, policies and procedures of the Group.i) Attempts to deliberately conceal any of the above or other acts of wrongdoing.j) Abetting any of the above.

	<p>As mandated by the Board, MSM Whistleblowing Committee (“WBC”) is entrusted with the responsibility of managing complaints reported through a secure and accessible whistleblowing channel. The WBC ensures transparent investigations and provides protection to whistleblowers.</p> <p>MSM WBC comprises the following members:</p> <ul style="list-style-type: none"> a) Head of Corporate Governance & Risk Management b) Head of Legal Affairs c) Head of Group People & Culture d) Head of Safety e) Head of Treasury f) Head of Corporate Strategy & Investor Relation* g) Head of Finance (Compliance)* <p>(*) <i>Alternate WBC members: WBC may appoint as and when required.</i></p> <p>The whistleblowing reporting can be channelled via the following mediums:</p> <table border="1"> <tr> <td>e-form</td><td>https://msmwhistleblowing-form.msmsugar.com</td></tr> <tr> <td>email</td><td>msmwb@msmsugar.com</td></tr> <tr> <td>Letter</td><td>MSM Whistleblowing Secretariat Level 44, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur</td></tr> <tr> <td>Hotline</td><td>03-2181 6827 (secured voice recording)</td></tr> <tr> <td>In Person</td><td>A person who wishes to whistleblow may come in person to meet MSM Whistleblowing Secretariat.</td></tr> </table> <p>The provided mediums offer an avenue for employees and members of the public to disclose any improper conduct committed or about to be committed, in accordance with the Whistleblowing Policy.</p> <p>All reports or complaints received will be treated with the strictest confidentiality. The Company is committed to taking every report seriously; however, it reserves the right to consider action against the whistleblower if the report is found to contain untrue, false, malicious, mischievous, vexatious, or reckless allegations. It is important to note that any employee disclosing information in good faith under this procedure will be immune from reprisals, victimization, or any adverse effects on their career.</p> <p>To ensure the MSM Whistleblowing Secretariat can effectively safeguard the identity and other relevant information, complainants are required to adhere strictly to the policy and report through the designated reporting medium outlined above. Failure to do so may compromise the confidentiality measures put in place to safeguard their identity and information.</p>	e-form	https://msmwhistleblowing-form.msmsugar.com	email	msmwb@msmsugar.com	Letter	MSM Whistleblowing Secretariat Level 44, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur	Hotline	03-2181 6827 (secured voice recording)	In Person	A person who wishes to whistleblow may come in person to meet MSM Whistleblowing Secretariat.
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In Person	A person who wishes to whistleblow may come in person to meet MSM Whistleblowing Secretariat.										

	The Policy statement is made available for public viewing and information on MSM's corporate website at https://www.msmsugar.com/our-company/corporate-governance .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>MSM recognizes the critical role of sustainability in driving long-term value for stakeholders. The Board of Directors, supported by senior management, ensures the effective governance of sustainability, aligning the company's strategies with its commitment to environmental, social and governance ("ESG") principles.</p> <p>The elements of sustainability are embedded in the Key Initiative Strategic of MSM Business Plan for the year 2024. The overall Company's sustainability is governed and supervised by the Audit, Governance and Risk Committee ("AGRC") and subsequently by the Board. All sustainability-related proposals, memberships, initiatives, and reports were presented to the AGRC and Board.</p> <p>The Group is strongly committed to:</p> <ul style="list-style-type: none">a) Meet the requirement of all applicable legislations as well as other codes of practices and sustainability commitments that MSM subscribe to;b) Engage with the internal and external stakeholders in promoting sustainability practices;c) Conduct, review and validate a comprehensive materiality assessment which involved the stakeholders to identify the material ESG issues;d) In line with the common sustainability matters as stipulated in the Enhanced Sustainability Reporting Framework issued by Bursa Malaysia; ande) Began assessing climate-related risks and opportunities, progressing in quantifying its financial impacts and developing understanding of International Financial Reporting Standards (IFRS) standards for financial and sustainability reporting.

	<p>Monitoring risks through the Enterprise Risk Management System (ERMS) while progressing in identifying climate-related risks and opportunities to enhances alignment with new market requirements, providing the Board and Top Management with foresight on potential risks. Managing climate-related risks within the risk management framework to supports informed decision-making and drive business strategy and direction.</p> <p>In line with MSM's ongoing commitment to strengthening its sustainability governance, the Board had established the Board Sustainability Committee ("BSC") in November 2024, and subsequently approved the BSC member's composition in January 2025. This committee will oversee and enhance the governance of MSM's Environmental, Social, and Governance ("ESG") strategies, addressing key ESG issues and ensuring alignment with global best practices and regulatory requirements.</p> <p>The establishment of the BSC underscores MSM's dedication to advancing its sustainability agenda, providing focused oversight, and driving the integration of ESG considerations into the Company's strategic decision-making processes.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group continues to leverage various communication platforms with the internal and external stakeholders in delivering the Company's sustainability strategies, priorities and targets.</p> <p>MSM has a dedicated section for Sustainability on MSM's corporate website, highlighting key matters, which is made available at https://www.msmsugar.com/sustainability/overview.</p> <p>In addition to the disclosure of Sustainability programs in the Annual Integrated Report 2023 and Sustainability Report 2023, other platforms were utilised to communicate with internal and external stakeholders. These platforms include internal meetings and emails, financial performance results, and both formal and informal shareholders engagements. These efforts ensure stakeholders are well-informed about the Group's direction and targets, fostering better alignment with our initiatives and Sustainable Development Goals ("SDG").</p> <p>The sustainability performance regarding the three pillars of Environmental, Social and Governance ("ESG") is also disclosed in the Sustainability Report 2023.</p> <p>Additionally, the following activities carried out in 2024 highlight MSM's efforts in striving towards sustainability:</p> <ol style="list-style-type: none">1. 30% Club Malaysia2. Subscribed as a UNGC Member3. Sponsorship to Climate Governance Malaysia (CGM) to conduct COP29 parallel event in Malaysia4. Providing funding to universities for research and development on press mud/mud cake utilization to support circular economy initiatives (UUM & USM)5. MSM's GCEO shared valuable insights on ESG, career development and industry opportunities at universities<ol style="list-style-type: none">a) USM: Virtual Career Talk with Expertsb) UTM: International Conference on Environmental Sustainability (IC-ENSURES) 2024c) UUM: Go Green Symposium 2024

	6. Sea Turtle Conservation & Beach Cleaning Programme in collaboration with Department of Fisheries Perak and Lumut Malaysia Fisheries College (Protecting Shells, Preserves Seas 2.0) at Segari Turtle Sanctuary 7. Crocodile sanctuary cleaning and refurbishment of baby crocodile hatching pond at Sarang Buaya Pasir Gudang, Tanjung Langsat. 8. The CSR Initiative at the Bird Aviary, Zoo Negara 9. Coral Restoration and Cultivation, collaboration with DOE Penang, Department of Fisheries Malaysia and Royal Malaysian Navy through its Kelab Kebajikan Samudera (KESADRA) 10. Beach Cleaning in collaboration with <i>Pejabat Perikanan Negeri Johor</i> and villagers of Pulau Besar, Pulau Tinggi and Pulau Sibu Johor 11. Mangrove tree planting Programme at Tanjung Langsat Port Terminal 12. ESG 1-Minute Learning Posts to employees at MSM, MSM Johor, MSM Prai and MSM Sungai Buloh Warehouse 13. Participated in Sustainability Session for FGV's BOD and Senior Management. Any stakeholders of MSM may also write to esg@msmsugar.com on queries relating to the sustainability of the Company.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is consistently updated on any opportunities and issues related to sustainability and provides necessary directives to Management.</p> <p>The Company updates the Board, through the Audit, Governance and Risk Committee ("AGRC"), on the sustainability performance during quarterly meetings. The sustainability performance review includes, but is not limited to, the following:</p> <ul style="list-style-type: none">i. Greenhouse Gas (GHG) Emissionsii. Waste Managementiii. Performance indicators against the FTSE4Good Bursa Malaysia Index <p>The Board also kept themselves abreast of sustainability knowledge by attending training and development programs. This enabled them to deliberate and address issues relevant to the Company and its business.</p> <p>The list of sustainability-related training attended by the Board includes, among others, the following:</p> <ul style="list-style-type: none">1. Navigating Climate Change and Opportunities2. Building Sustainable Credibility: Assurance, Greenwashing and the Rise of Green-Hushing3. Board Briefing on ESG4. ESG – Financed Emission5. ESG Briefing6. Supply Chain Synergy Towards Decarbonization7. Sustainability E-Training for Directors8. Climate Governance Malaysia Post COP289. Climate Governance 101: A board's Guide to Effective Oversight10. Recent Development in Climate Science11. Masterclass Session 4 on Latest Developments in Climate: Aligned Executive Compensation12. KPMG Symposium: Beyond ESG13. Sustainability Session for FGV's BOD and Senior Management14. Global Sustainability Forum 2024: A Roadmap to NetZero

	The Board is also being updated quarterly on the potential risk affecting the Group via monitoring through ERMS including the highlights of key emerging risks, latest development and global trends with regards to the sustainability matters.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board and Top Management consistently consider and integrate sustainability and ESG elements into the Company's objectives and decision-making processes. The Board and Top Management also ensure the Company has adequate dedicated resources at appropriate levels to effectively drive sustainability goals and strategies within the Company.</p> <p><u>Board</u></p> <p>The Board Effectiveness Assessment ("BEA") was undertaken internally for year 2024, assessing the Board's performance in managing the Company's material sustainability risks and opportunities.</p> <p>The sustainability criteria were evaluated by the Board under the Board's roles and responsibilities, Board process, Board agenda, minutes and information, as well as through the Board skills matrix assessment. Based on these assessments, the Board was rated Effective for sustainability scores.</p> <p>The sustainability element is also included as one of the KPIs in the Corporate Scorecard for 2024. This was measured by compliance with sustainability standards regarding ESG, including safety, quality aspects of operations, and corporate social responsibility, which subsequently impacts the overall rating of Top Management.</p> <p><u>Top Management</u></p> <p>The sustainability and ESG elements continue to be immersed and reinforced in Top Management Performance Objectives Balance Scorecard and employee performance evaluations and key performance indicators.</p> <p>The KPIs' are aligned with the Company's ESG sustainability objectives and targets, becoming an integral part of operational excellence that measures MSM Group's sustainability standards.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>Cheng Lay Peng, the Head of ESG, who reports directly to the Group CEO, is responsible for advising all Heads of Operations on matters pertaining to the Group's sustainability strategy. Cheng Lay Peng has over 25 years of experience in multinational and local companies with a career portfolio that includes research & development, quality management, plant operation management, risk management, sustainability and Environment, Health and Safety ("EHS") & compliance. The profile of Cheng Lay Peng is available on page 126 of AIR 2024.</p> <p>The Sustainability Steering Committee ("SSC"), chaired by the Group CEO comprising C-suite executives and key Heads of Departments ("HODs"), was established in October 2024 to strategically drive and oversee sustainability initiatives at the Group level, ensuring alignment with organizational goals and long-term impact. This role was previously overseen by the Management Steering Committee ("MSC").</p> <p>The ESG Department collaborates closely with MSM's Health, Safety, Environment, Security & Quality ("HSES&Q") department, which spearheads the implementation of sustainability-led strategies and programmes within the Group, led by Radzlan Ramli.</p> <p>Representatives from each MSM's premises are required to further strengthen the integration of sustainability into the Company's operations. They are also required to update the Group's sustainability progress and report on a quarterly basis.</p> <p>MSM has also established its ESG catalysts as the working committee responsible for driving and implementing ESG activities in the workstreams. This includes driving sustainable activities and programs, optimising the environmental footprint, promoting social responsibility and sustainable partnership, inculcating ESG culture, and inspiring the employees to drive impactful change to manage climate-related risks within business operations.</p>

	<p>MSM's continues its efforts towards achieving sustainable development through ESG initiatives. These efforts ensure compliance with all applicable environmental legislation, regulations, and requirements related to our manufacturing and distribution practices.</p> <p>MSM's concerted efforts aim to enhance its sustainability framework with short, medium, and long-term goals, and measurable progress on its high-priority issues. MSM prioritises the effective use of resources, energy, and fuel, as well as waste reduction. This commitment stretches beyond the Group's direct impact and includes efforts to ensure good practices across the MSM's supply chain. MSM also encourages its value chain partners to embrace sustainable environmental practices at their work sites and educates MSM staff on environmentally friendly practices.</p>
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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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Nomination and Election Policy and Procedures ("BNEP") under Paragraph 6.4 on the <i>"Policy on Board Assessment"</i> and Nomination and Remuneration Committee ("NRC") terms of Reference ("TOR") under Paragraph 7.1.3 pertaining to the <i>"Appointment/ Re-Appointment/Re-Election Process and Its Criteria"</i> require the NRC to review the composition of the Board by undertaking an annual Board Assessment on the effectiveness of the Board, Board Committees and Individual Directors.</p> <p>BNEP and the Company's Constitution stipulated that the tenure of an Independent Director shall not exceed three (3) years. Upon completion of the 3-year tenure, such Independent Director shall cease to be a Director but may still be eligible for re-appointment to a maximum of nine (9) year. This ensures that the composition of the Board is refreshed periodically.</p> <p>The NRC had reviewed and conducted an assessment process to evaluate the eligibility of retiring Directors before recommending them to the Board for approval. Datuk Syed Hisham Syed Wazir and Datuk Dr Abd Hapiz Abdullah retired and were re-elected at the 13th AGM held on 6 June 2024 pursuant to Clause 99 of the Company's Constitution. Nik Fazila Nik Mohamed Shihabuddin, who also retired pursuant to the same clause, did not seek for re-election and thus retired upon the conclusion of the 13th AGM.</p> <p>In addition to the review assessment conducted in determining the eligibility of the above Directors for re-appointment/re-election, the NRC also considered the following elements, among others:</p> <ul style="list-style-type: none">a) the Individual Director's Performance assessment as part of the Board Effectiveness Assessment which focuses more on soft governance aspects of the Director (individual contribution, communication with members, their decision making and traits); andb) special skills and knowledge an individual Director brings to the organization.
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Paragraph 15.02(1) of the Listing Requirements states that a listed issuer must ensure that at least two (2) Directors or 1/3 of the Board of Directors of a listed issuer, whichever is the higher, are independent directors and at least 1 director of the listed issuer is a woman.</p> <p>During the financial year under review, the following changes to the Board composition occurred:</p> <ul style="list-style-type: none">a) Cessation of office of Dato' Rosini Abd Samad as Independent Non-Executive Director on 7 January 2024 upon completing her 9-year tenure.b) Retirement of Nik Fazila Nik Mohamed Shihabuddin upon the conclusion of the 13th AGM on 6 June 2024.c) Appointment of an Independent Non-Executive Director, Low Chooi Hoon, effective from 1 July 2024.d) Appointment of FGV's nominee director, Dato' Dr Suzana Idayu Wati Osman, effective from 16 August 2024, as Non-Independent Non-Executive Director.e) Resignation of Dato' Mohd Nazrul Izam Mansor on 1 September 2024.f) Resignation of nominee director of Koperasi Permodalan Felda Malaysia Berhad ("KPF"), Raja Faridah Raja Ahmad as Non-Independent Non-Executive Director on 21 November 2024.g) Appointment of FGV's nominee director, Nurul Muhaniza Hanafi and KPF's nominee director, Dato' Mohd Banuri Aris, effective from 1 December 2024. <p>With the above changes, the Board composition remain unchanged with nine (9) members, in comparison to the previous year under review and is in compliance with Paragraphs 15.02 and 3.04 of the Listing Requirements, of which:</p> <ul style="list-style-type: none">a) Five (5) are Independent Non-Executive Directors, namely:<ul style="list-style-type: none">1. Datuk Syed Hisham Syed Wazir2. Choy Khai Choon3. Dato' Sri Muthanna Abdullah4. Datuk Dr Abd Hapiz Abdullah5. Low Chooi Hoon

	<p>b) Four (4) are Non-Independent Non-Executive Directors, namely:</p> <ol style="list-style-type: none"> 1. Fakhrunniam Othman 2. Dato' Dr Suzana Idayu Wati Osman 3. Nurul Muhaniza Hanafi 4. Dato' Mohd Banuri Aris <p>All five (5) Independent Non-Executive Directors, constituting 56% of the Board, satisfied the independence criteria as stipulated under the Listing Requirements.</p> <p>The presence of five (5) independent directors on the Board brings a wealth of diverse professional backgrounds, skills, and extensive experience and knowledge in areas such as accounting, finance, legal, corporate business, strategy, risk, and sustainability/ESG. Their expertise enables them to provide independent judgement on matters related to strategy, business performance, human resources, legal and standards, and conduct. They also provide independent perspectives during Board discussions, ensuring that the strategies proposed by Management are thoroughly deliberated and examined in the long-term interest of the Group, its shareholders, and other stakeholders.</p> <p>None of the Independent Directors is involved in the day-to-day management of MSM and its Group of Companies.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>The Board Charter and BNEP include provisions that limit the tenure of an Independent Director to a cumulative term of nine (9) years. These provisions are stated in the following paragraphs:</p> <p>Board Charter::</p> <p>(a) <u>Clause 6.4.5 (iv):</u> The tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) year.</p> <p>(b) <u>Clause 6.4.5 (v):</u> The term of any Independent Directors in MSM Board shall not exceed three (3) year. Upon completion of 3-year tenure, such Independent Director shall cease to be a Director but may still be eligible for re-appointment to a maximum of nine (9) years. After a cumulative term of nine (9) year, an Independent Director shall cease to be a Director of the Company. Notwithstanding the above, the Independent Directors shall be subjected to the annual assessment on independence, as part of the Board Assessment.</p> <p>MSM also has in its BNEP the provisions on the tenure limits of its Independent Director as listed below:</p> <p>(a) <u>Clause 6.2.3:</u> The term of any Independent Directors in MSM Board shall not exceed three (3) years. Upon completion of 3-year tenure, such Independent Director shall cease to be a Director, but may still be eligible for re-appointment to a maximum of nine (9) years.</p> <p>(b) <u>Clause 6.2.4:</u> After a cumulative of nine (9) years, an Independent Director shall cease to be a Director of the Company.</p> <p>(c) <u>Clause 6.2.5:</u> Notwithstanding the above, the Independent Directors shall be subjected to the annual assessment on independence, as part of the Board Assessment.</p>

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p><u>Board</u></p> <p>MSM has in place a fit and proper policy for the appointment and re-election of its directors, known as MSM BNEP, which formalizes the policies on Board Composition, including Diversity (gender, age, ethnicity and cultural background), Independence, Conflict of Interest and Board Assessment, to meet the needs of the Group.</p> <p>The BNEP provides guidelines on Board diversity in terms of gender, age, ethnicity and cultural background when considering the composition of the Board, which includes the following:</p> <ul style="list-style-type: none">(a) the adoption of a merit-based system and no discrimination on gender and ethnicity;(b) the difference of age groups infuses a mixture of qualities such as ideas, risk appetites or experience; and(c) appropriate diversity in relation to the mix of technical and non-technical qualities of Directors. <p>The BNEP also serves as a guide to the NRC and the Board, providing detailed guidance and a transparent process for the nomination and election of Directors based on the following selection criteria:</p> <ul style="list-style-type: none">(a) skills, knowledge, expertise and experience(b) contribution and performance(c) character, professionalism and integrity(d) number of directorships and other external obligations which may affect the Director's commitments including time commitment and value contribution(e) ability to discharge certain responsibilities/functions as expected from Independent Directors. <p>Section 6.1.2 of BNEP states that one of the considerations in determining the appropriate candidates for nomination and election to the Board is that the candidate is not an Active Political Person i.e. not a Member of Parliament, State Assemblyman, Supreme Council Member of a political party or member who holds a position at</p>

	<p>divisional level in a political party. At present, no Active Political Person sits on the Board.</p> <p>The proposed candidates for Independent Non-Executive Director are required to disclose any other business interests that may result in a conflict of interest prior to their appointment. Background checks on these candidates are also undertaken.</p> <p>In assessing candidates for directorship of the MSM Board, the Board is guided by the Board Succession Plan. The assessment and evaluation process may include, at the NRC's discretion, reviewing the candidate's resume, curriculum vitae and relevant information, confirming the candidate's qualifications, conducting legal and other background searches, including checks on integrity, bankruptcy, and criminal records, as well as formal and informal interviews.</p> <p>The summary of fit and proper policy for the appointment and re-election of directors is made available on MSM's corporate website at https://www.msmsugar.com/our-company/corporate-governance.</p> <p>The Board composition, gender diversity, tenure, age diversity together with the board skills matrix can be found on page 134 of the AIR 2024.</p> <p><u>Senior Management</u></p> <p>Appointment of Senior Management in MSM is based on merit and with due regard to diversity in skills, experience, age, cultural background and gender. In selecting the Senior Management, the appointment is governed by the approval matrix as per MSM Limit of Authorities ("LOA").</p> <p>Approval Matrix:</p> <ol style="list-style-type: none"> 1. All C-suites positions are reviewed and deliberated by the NRC and recommended to the Board for final appointment approval. 2. All positions appointment within job ranking General Manager to Vice Presidents shall be approved by the Group CEO. 3. The LOA also outlined the approval matrix on appointments of other positions job grade, i.e. from managerial, executive and non-executive positions. <p>There are currently two (2) women in the Senior Management of MSM, constituting 22.2% of the Senior Management's composition. The diversity of Senior Management's composition in terms of gender, age, working experiences, skills and background can be found on pages 120 to 126 of the AIR 2024.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>MSM is guided by BNEP, which provides guidelines on the size of the Board, the selection criteria, the Director's skill sets, and the Board diversity to be considered for new appointment of Directors. NRC TOR under Paragraph 7.1.3 allows NRC to consider candidates proposed by the Chairman of NRC, and by any Director, or shareholder. However, NRC must consider the candidates' character, experience, competence, integrity and time commitment as prescribed in Paragraph 2.20A of the Listing Requirements and other criteria in the BNEP. Background checks were also conducted on the candidates, along with formal or informal interviews.</p> <p>Regarding the appointment of Independent Non-Executive Director, the Board considers candidates not only from existing directors, top management staff, and major shareholders but also from third-party referrals/independent sources.</p> <p>The Board utilised independent sources and third party referrals to identify candidates with the necessary skill sets and experience as outlined in the BNEP. Recommendations from existing Board members, Management or major shareholders were not solely relied upon.</p> <p>The Board then evaluated the profiles of the shortlisted candidates, considering their academic/professional qualifications, skill sets, past employment history, board experience and directorships (past and current). For this appointment, NRC ensured that all assessments and reviews of directors were properly conducted by considering the selection criteria specified in BNEP, and thereafter, the recommendations were tabled and presented to the Board for approval.</p> <p>During the financial year under review, the appointment of Low Chooi Hoon as Independent Non-Executive Director was sourced through and independent party i.e. Leadwomen.</p>

	<p>Additionally, Dato' Dr Suzana Idayu Wati Osman and Nurul Muhaniza Hanafi, nominated by FGV, and Dato' Mohd Banuri Aris, nominated by KPF, were appointed as Non-Independent Non-Executive Directors of MSM for the financial year 2024.</p> <p>The above appointments were presented to NRC and the background of each appointed director was assessed in accordance with the BNEP. The NRC also conducted interview sessions with each appointed director as part of the evaluation process. Upon recommendation from the NRC, the proposed appointments were tabled to the Board for approval.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The shareholders were provided with sufficient information about the directors who were standing for re-election including their names, age, gender, working experience, whether they have any conflict of interest, directorship in other companies, and details of any interest, in the AGM notice. The AGM notice also indicated that the Board supported the re-election.</p> <p>All Directors standing for re-election had given their consent to be re-elected and abstained from deliberations and decision-making at the Board on matter relating to their own re-elections. At the 13th AGM held on 6 June 2024, the shareholders approved the re-election of Datuk Syed Hisham Syed Wazir and Datuk Dr Abd Hapiz Abdullah, pursuant to Clause 99 of the Company's Constitution and Section 205(3)(b) of the Companies Act, 2016.</p> <p>The profiles of the Directors standing for re-election were provided to the shareholders in the AIR 2023 to assist them to make an informed decision on the re-election of Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>Pursuant to Paragraph 4.1 of the NRC TOR, the Chairman of the NRC must be an Independent Non-Executive Director, and where a Senior Independent Non-Executive Director position exists, the Senior Independent Non-Executive Director shall assume the position of Chairman of the NRC.</p> <p>The current NRC is chaired by Dato' Sri Muthanna Abdullah, an Independent Non-Executive Director. The profile of Dato' Sri Muthanna Abdullah as Chairman of the NRC is available on page 111 of AIR 2024.</p> <p>The Chairman of NRC shall:</p> <ul style="list-style-type: none"> a) be responsible for the conduct of meeting and must be present at all NRC meetings; b) report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; c) draw to the Board's attention any relevant matters deemed to be of major importance; d) be available to answer questions about the Committee's activities at the AGM of the Company. All other members of the Committee shall also attend the AGM; e) determine the frequency of the Committee meeting and discuss the schedule of meetings with the members of the Committee; f) ensure that proper agenda is prepared for the Committee meeting; g) call a meeting of the Committee if so requested by any member of the Committee or by Chairman of the Board; and h) exercise the right to request meeting attendees to leave the meeting room if matters discussed are confidential or may be impaired due to the presence of individual concerns. <p>The key/areas of responsibilities of the Chairman of the NRC together with other members of the NRC are set up in its TOR which is available on MSM's corporate website at https://www.msmsugar.com/our-company/corporate-governance.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>MSM BNEP provides guidelines on board diversity, in terms of gender, age, ethnicity and cultural background, which provide the necessary range of perspectives, experience and expertise required.</p> <p>As at 31 December 2024, there were three (3) women Directors, which constituted 33.3% female representation.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	: Applied
Explanation on application of the practice	<p><u>Board</u></p> <p>MSM BNEP aims to provide guidelines on nomination and election matters in alignment with the requirements of the Companies Act 2016, Listing Requirements, best practices of Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and the Corporate Governance Guide.</p> <p>The BNEP includes guidelines on Board diversity in terms of gender, age, ethnicity, and cultural background when considering the composition of the Board, which includes the following:</p> <ul style="list-style-type: none">a) adopts a merit system and does not discriminate, including on the grounds of gender and ethnicity, in determining the composition of the MSM Board;b) adopts a Board which is made up of different age groups, in order to infuse a mixture of qualities such as ideas, risk appetites or experience, above the full age of 18 years old and no age limit as provided in MSM's Board Charter; andc) maintain appropriate diversity in relation to the mix of technical and non-technical qualities of Directors, to avoid 'groupthink' during deliberations. For example, Directors with a balanced range of risk appetites enable strategic decisions to be made while risks are being managed. <p>The statement on the BNEP was disclosed under the Nomination and Remuneration Committee Report on page 157 of the AIR 2024.</p> <p>As of 31 December 2024, three (3) women Directors on the Board, constitute 33.3% of the Board's composition.</p> <p><u>Senior Management</u></p> <p>On 5 December 2023, MSM Group adopted the Diversity, Equity and Inclusion Policy ("DEI Policy"), developed in consideration of the relevant requirements of the MCCG 2021 and the United Nations' Sustainable Development Goals.</p>

	<p>Within the changing of business landscape, the introduction of DEI Policy marks a significant milestone to MSM Group's sustainability agenda and roadmap. It sends a positive message about MSM Group's emphasis on DEI principles to the MSM Group employees and the general business landscape. In addition to that, this includes career opportunities, training and development, recruitment, compensation and benefits, talent identification, retention, performance management, promotions, job assignments, succession planning and engagement activities.</p> <p>The practice of gender diversity for Senior Management continues to be premised on merit-based selection and appointment along with a fair and equitable consideration and deliberation for qualification, experience, skills, intelligence and empathy as it ensures equal opportunities and treatment across its workforce.</p> <p>With the above, the Group has created a diverse workforce that can generate different ideas and perspectives; the various background and experiences will also foster greater innovation as well better problem-solving and decision-making skills.</p> <p>In 2024, there were no cases of discrimination reported and the Group targets to maintain the status of zero cases of discrimination.</p> <p>MSM Group maintains zero cases of discrimination throughout 2024 and continues to maintain the current status of zero discrimination cases target.</p> <p>The DEI Policy was disclosed under the Corporate Governance Overview Statement on page 138 of the AIR 2024.</p> <p>There are currently two (2) women in Senior Management, constituting 22.2% of the composition of Senior Management. The diversity of Senior Management's composition in terms of gender, age, working experiences, skills and background can be found on pages 120 to 126 of the AIR 2024.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	<p>The exercise of the Board Effectiveness Assessment for 2024 (“BEA 2024”) was undertaken internally in January 2025 on an annual basis and facilitated by the Company Secretary. This marks the fourth year that MSM conducted its BEA internally. The appointment of an external consultant for the BEA exercise may be considered for the 2025 assessment.</p> <p>There were four (4) sets of assessment forms for BEA 2024. The assessment forms were sent to the nine (9) directors on 31 January 2025 for them to complete the effectiveness assessment of the following:</p> <ul style="list-style-type: none">(a) Board as a whole(b) Board Committees(c) Board Skills Matrix Assessment(d) Directors’ Self and Peer Evaluation <p>On 12 March 2025, the analysis of the BEA 2024 results and feedback from the Board and Board Committee members were presented by the Company Secretary to the NRC for recommendations to be presented to the Board on 24 March 2025.</p> <p>The assessment of the Directors was based on the relevant performance criteria in line with this practice, which include the following:</p> <ul style="list-style-type: none">(a) Will and ability to critically challenge and ask the right questions;(b) Character and integrity in dealing with potential conflict of interest situations;(c) Commitment to serve the company, due diligence and integrity;(d) Confidence to stand up for a point of view;(e) Fit and proper;(f) Calibre and personality;(g) Board dynamics and participation;

			d) Structured Executive Summary of the board paper presented to the Board.
	2.	Board Agenda and Meeting	a) Timeliness of Board papers submission.
	3.	Board Composition	a) Rotation of Committee Member and Chairman.
	4.	Board Roles and Responsibility	a) Better participation in discussions. b) Clearer understanding on the roles and responsibilities of Independent Non-Executive Director and Non-Independent Non-Executive Director.
	5.	Suggested trainings to enhance Board's contribution	a) Board's responsibilities in the context of the provisions under the Companies Act, Bursa Listing Requirements and Securities Commission regulations. b) Sugar industry related training. c) Governance, ESG, risk and business decision making. d) Effective board governance in dealing with various stakeholders.
<p>The C-Suites of the Company, namely, the Group CEO and Group Chief Operating Officer also participated in the BEA 2024 exercise to evaluate the effectiveness of the Board as a whole and Board Committees.</p>			
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p><u>Directors' Remuneration</u></p> <p>MSM has in place a Directors' remuneration policy, named Non-Executive Directors' ("NED") Remuneration Policy ("Policy"), which outlines the remuneration structure for the Board of Directors. The Policy covers the remuneration package that reflects the experience, expertise, and level of responsibilities undertaken by NEDs. The remuneration package includes fixed annual Directors' fees, Board Committees' fees, meeting allowance for each meeting attended, benefits-in-kind and other benefits.</p> <p>The level of Directors' remuneration is designed to be competitive in order to attract and retain Directors of calibre, providing the necessary skills and experience required. This is commensurate with the Board's responsibilities, expertise and complexity of the Company's activities for effective management and operations of the Group.</p> <p>This Policy shall be reviewed as and when required, at least once in every two (2) years, to reflect any development in the laws, regulations, and industry standard. This ensures fairness and competitiveness of the remuneration packages of the NEDs relative to the market, based on market positioning, revenue, performance, total assets, profit after tax and market capitalisation of the comparator groups.</p> <p>In addition to the above, the Directors are covered under the Directors & Officers ("D&O") insurance in respect of any liabilities deriving from acts performed while serving as the Group's D&O. However, the insurance coverage does not indemnify a Director or principal officer if he/she is proven to have acted negligently, fraudulently or dishonestly or in breach of his/her duty or trust.</p>

	<p>The summary of the NEDs' Remuneration Structure is available on MSM's corporate website at https://www.msmsugar.com/our-company/corporate-governance.</p> <p>Top Management</p> <p>The Company recognizes that in order to attract and retain the Top Management, it is important to have a fair and competitive remuneration package that commensurate with their qualification, experience, skills, responsibilities, performance, contribution as well as benchmarking industry peers. In view of this, market data on the remuneration practises of comparable peers are taken into consideration in determining the remuneration package for Top Management.</p> <p>The total remuneration package of Top Management is made up of various components, primarily consisting of fixed monthly salary, benefits-in-kind and others.</p> <p>For Top Management, the Company has a human resource policy on employees' remuneration which is fair and equitable and encourages behaviour that supports MSM's long-term financial soundness, growth and success within an appropriate risk management framework.</p> <p>The Group People & Culture through the NRC reviews and recommends to the Board on an annual basis, the individual remuneration levels and remuneration arrangements for Top Management of the Group.</p> <p>The Group People & Culture via NRC reviews and deliberation also recommends to the Board, the variable compensation reflecting the Group's performance and relative to individual performance.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>MSM has established a NRC consisting exclusively of Non-Executive Directors, with the majority being Independent Directors. The NRC is chaired by an Independent Non-Executive Director.</p> <p>NRC TOR highlights the responsibilities and duties of NRC, which includes reviewing and recommending to the Board on remuneration matters such as NEDs remuneration policy, remuneration of Group CEO, Executive Director, Top Management and general remuneration across MSM Group.</p> <p>On 20 March 2024, the NRC recommended to the Board the Directors' remuneration for the NEDs for the financial year ended 31 December 2023, for tabling at the 13th AGM in accordance with Paragraph 7.24 of the Listing Requirements and Section 230(1) of the Companies Act 2016. At the 13th AGM held on 6 June 2024, the shareholders approved the Directors' remuneration for payment to the NEDs on a monthly basis.</p> <p>The key responsibilities of NRC in assisting the Board, among others, are in regard to the following:</p> <ul style="list-style-type: none">a) composition of the Board, the Board Committee, the directorship in the Group and Top Management.b) nomination and election process, appointment and re-appointment and re-election process.c) Board assessments and succession planning. <p>The NRC TOR is published on MSM's corporate website at https://www.msmsugar.com/our-company/corporate-governance and further information and summary of work of NRC are disclosed in the Nomination and Remuneration Committee Report on pages 155 to 159 of the AIR 2024.</p>

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>In compliance with the Listing Requirements, MSM practises detailed disclosure on a named basis for the remuneration received by individual Directors from MSM and its Group of Companies. The Directors' remuneration for the financial year under review is disclosed in the Corporate Governance Overview Statement on page 147 of the AIR 2024 categorised into components such as Directors' annual fees, meeting allowances, benefits-in-kind and other benefits.</p> <p>Notes in the table below:</p> <p><i>* Directors' Remuneration paid to FGV.</i></p> <p><i># The amount includes meeting allowance as member of the Joint Task Force as approved by the shareholders at the 13th AGM on 6 June 2024 .</i></p>

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	Datuk Syed Hisham Syed Wazir	Independent Director	315,000.00	36,000.00*	-	-	53,654.44	-	404,654.44	-	-	-	-	-	-	-
2	Choy Khai Choon	Independent Director	219,672.13	82,000.00	-	-	-	2,756.60	304,428.73	-	-	-	-	-	-	-
3	Dato' Sri Muthanna Abdullah	Independent Director	187,000.00	68,000.00	-	-	-	2,756.60	257,756.60	-	-	-	-	-	-	-
4	Datuk Dr Abd Hapiz Abdullah	Independent Director	204,000.00	82,000.00	-	-	-	2,756.60	288,756.60	-	-	-	-	-	-	-
5	Fakhrunniam Othman	Non-Executive Non-Independent Director	136,000.00*	44,000.00**	-	-	-	-	180,000.00*	-	-	-	-	-	-	-
6	Low Chooi Hoon (appointed on 1 July 2024)	Independent Director	60,000.00	12,000.00	-	-	-	1,385.83	73,385.83	-	-	-	-	-	-	-
7	Dato' Dr Suzana Idayu Wati Osman (appointed on 16 August 2024)	Non-Executive Non-Independent Director	52,702.27	16,000.00	-	-	-	1,039.38	69,741.65	-	-	-	-	-	-	-
8	Nurul Muhaniza Hanafi (appointed on 1 December 2024)	Non-Executive Non-Independent Director	10,000.00	4,000.00	-	-	-	233.48	14,233.48	-	-	-	-	-	-	-

9	Dato' Mohd Banuri Aris (appointed on 1 December 2024)	Non-Executive Non-Independent Director	10,000.00	4,000.00	-	-	-	233.48	14,233.48	-	-	-	-	-	-	-
10	Raja Faridah Raja Ahmad (resigned on 21 November 2024)	Non-Executive Non-Independent Director	124,836.90	46,000.00*	-	-	-	2,455.34	173,292.24	-	-	-	-	-	-	-
11	Dato' Mohd Nazrul Izam Mansor (resigned on 1 September 2024)	Non-Executive Non-Independent Director	80,000.00*	12,000.00*	-	-	-	-	92,000.00*	-	-	-	-	-	-	-
12	Nik Fazila Nik Mohamed Shihabuddin (retired on 6 June 2024)	Non-Executive Non-Independent Director	60,668.40	32,000.00*	-	-	-	1,190.01	93,858.41	-	-	-	-	-	-	-
13	Dato' Rosini Abd Samad (cessation of office on 7 January 2024)	Independent Director	2,787.94	-	-	-	-	45.19	2,833.13	-	-	-	-	-	-	-
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board believes that providing disclosure in such detail of the Company's top five (5) Senior Management's remuneration could be detrimental to the Group's recruitment and talent retention, as it may expose the Senior Management to external competition and talent poaching.</p> <p>In accordance with the provisions and policies outlined in the Terms of Reference of the MSM Nomination and Remuneration Committee, and considering the human resource policies on employees' remuneration, the remuneration packages for top management and senior management are reviewed and benchmarked against industry standards. This ensures that the remuneration levels are sufficient to attract, retain, and motivate high-calibre individuals with the required qualifications, skills, talent, and expertise. Additionally, the packages are aligned with individual performance, job roles and responsibilities, and the overall performance of the Group.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The total remuneration paid to the top management and senior management is included under Key Management Personnel remuneration which is disclosed in Note 33 (c) of the Audited Financial Statements for the financial year ended 31 December 2024 as set out on page 276 of the AIR 2024.

	<p>Additionally, the Group Chief Executive Officer's remuneration for the financial year ended 31 December 2024 is disclosed on page 147 in the Corporate Governance Overview Statement of AIR 2024, in line with Paragraph 11, Part A of Appendix 9C of the Listing Requirements.</p> <p>The Board will continue to monitor market developments regarding the disclosure of senior management's detailed remuneration and evaluate the appropriateness of such disclosure in future.</p>	
Timeframe	:	<p>Others</p> <p>The Company intends to maintain the current practice to preserve the confidentiality of such information.</p>

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Paragraph 4.2 of the AGRC TOR states that the Chairman of the AGRC is not the Chairman of the Board. Choy Khai Choon, an Independent Non-Executive Director, is the Chairman of AGRC.</p> <p>Choy Khai Choon is a member of the Malaysian Institute of Accountants and an Honorary Fellow of CPA Australia. He has fulfilled the requisite qualifications as stipulated in Paragraph 15.09(1)(c)(i) of the Listing Requirements. The profile of Choy Khai Choon as Chairman of the AGRC is available on page 112 of AIR 2024.</p> <p>The key/areas of responsibilities of the AGRC are stipulated in its TOR, which is available on MSM's corporate website, https://www.msmsugar.com/our-company/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	MSM External Auditor Policy requires former partners of external auditors to observe a cooling-off period of at least three (3) years, as recommended by MCCG 2021, before being appointed to AGRC. As of to-date, none of the members of AGRC were former key audit partners within the cooling-off period of three (3) years, and no such person has been appointed as a member of AGRC.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AGRC has adopted the External Auditors Policy ("Policy"), which was approved by the MSM Board on 27 May 2022.</p> <p>In the financial year 2024, Management and AGRC carried out an annual assessment of the suitability, objectivity and independence of Messrs PricewaterhouseCoopers PLT ("PwC") as external auditors of the MSM Group in respect of the financial year 2023 in accordance with the Policy. The following criteria were set out in the Policy as a guide for the assessment:</p> <ul style="list-style-type: none">• Assurance from PwC on their independence.• Adequacy of expertise and resources in carrying out audit procedures.• Quality of audit review procedures.• PwC's governance and leadership structure. <p>PwC also circulated and presented its Annual Transparency Report 2023 to the AGRC in February 2024, as recommended under Guidance 9.3 of MCCG 2021.</p> <p>Based on the outcome of the assessment, AGRC had recommended the reappointment of PwC as external auditors of the Group for the financial year ended 2024, for Board's approval. This was subsequently approved by the shareholders at the 13th AGM on 6 June 2024.</p> <p>In line with the External Auditors Policy, PwC can also be engaged to perform non-audit services to MSM Group as long as these services are not perceived to be in conflict with their role as an external auditor and do not impair their independence or objectivity. The engagement of permitted non-audit services shall be reviewed and approved by AGRC when the non-audit fees cumulatively exceed RM100,000 per annum. The engagement of permitted non-audit fees related to Malaysian Reporting Standards ("MFRS") and Financial Statements related training up to RM100,000 cumulatively per annum shall be approved by the Group CEO only. The maximum allowable non-audit services are 50% of the annual statutory audit fee.</p>

	During the financial year ended 31 December 2024, save for the statutory audit fee and assurance service fee for review of the Quarterly Bursa Announcement, there was no other non-audit service rendered by the external auditors.			
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

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	:	During the year under review, the AGRC consists of the following three (3) members who are all Independent Non-Executive Directors:			
		No.	Members	Type of Membership	Appointment Date
		1.	Choy Khai Choon	Chairman/Independent Non-Executive Director	10 June 2020
		2.	Dato’ Sri Muthanna Abdullah	Member/Independent Non-Executive Director	10 June 2020
		3.	Datuk Dr Abd Hapiz Abdullah	Member/Independent Non-Executive Director	23 February 2023

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>AGRC TOR requires members to be financially literate, have a reasonable knowledge of the Group's operations and performance, and possess experience or knowledge in governance, risk management, and sustainability, including knowledge of related regulations and relevant best practices.</p> <p>Collectively, all members of AGRC are financially literate and capable of analysing and interpreting financial statements and matters under the purview of AGRC. This enables them to effectively discharge their duties and responsibilities.</p> <p>The Chairman of AGRC, Choy Khai Choon, is a member of the Malaysian Institute of Accountants and an Honorary Fellow of CPA Australia, supported by two (2) competent members of AGRC. The AGRC, therefore, met the requirements of Paragraph 15.09(1)(c) of the Listing Requirements, which stipulates that at least one (1) member of the AGRC must be a qualified accountant.</p> <p>All members of the AGRC have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. The list of training attended by the AGRC members during the year 2024 can be found in the Corporate Governance Overview Statement on page 139 of AIR 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

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

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

Practice 10.1

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

Application	:	Applied						
Explanation on application of the practice	:	<p>The Board is responsible for establishing and maintaining an effective risk management and internal control system, ensuring it can identify, assess, and address risks that may hinder the Group's objectives.</p> <p>The Board defines the Group's risk appetite, outlining the levels and types of risk it is willing to accept to achieve business and strategic goals. It actively participates in strategic planning, ensuring risks are adequately mitigated within the approved risk appetite.</p> <p>Recognising the inherent limitations of any risk management system, the Board acknowledges that such systems provide reasonable, not absolute, assurance against significant financial misstatements, fraud, or losses.</p> <p>The Board also plays a key role in fostering a strong risk management and internal control governance structure, setting the tone and culture for effective risk practices.</p> <p>To effectively carry out its risk and control oversight responsibilities, the Board has established the Audit, Governance and Risk Committee (AGRC) to exercise its roles and responsibilities, including:</p> <table><tr><th>Roles</th><th>Responsibilities</th></tr><tr><td>Managing risks and assessing the risk management framework and internal control environment</td><td>Oversee risk management by establishing the Group's risk framework and policies, advising on risk appetite and mitigation strategies, reviewing the effectiveness of risk management and internal controls, and reporting annually to the Board on their adequacy and outcomes.</td></tr><tr><td>Enhancing governance, ethics and integrity</td><td>Enhance governance, ethics, and integrity by recommending the Group's governance framework, codes of conduct, and ethics programs, ensuring their implementation and alignment with organizational changes, and reviewing operational procedures and policies for Board approval.</td></tr></table>	Roles	Responsibilities	Managing risks and assessing the risk management framework and internal control environment	Oversee risk management by establishing the Group's risk framework and policies, advising on risk appetite and mitigation strategies, reviewing the effectiveness of risk management and internal controls, and reporting annually to the Board on their adequacy and outcomes.	Enhancing governance, ethics and integrity	Enhance governance, ethics, and integrity by recommending the Group's governance framework, codes of conduct, and ethics programs, ensuring their implementation and alignment with organizational changes, and reviewing operational procedures and policies for Board approval.
Roles	Responsibilities							
Managing risks and assessing the risk management framework and internal control environment	Oversee risk management by establishing the Group's risk framework and policies, advising on risk appetite and mitigation strategies, reviewing the effectiveness of risk management and internal controls, and reporting annually to the Board on their adequacy and outcomes.							
Enhancing governance, ethics and integrity	Enhance governance, ethics, and integrity by recommending the Group's governance framework, codes of conduct, and ethics programs, ensuring their implementation and alignment with organizational changes, and reviewing operational procedures and policies for Board approval.							

	Evaluating the internal audit process and outcome.	Ensure the effectiveness and independence of the internal audit function by reviewing its scope, resources, and compliance with professional standards, approving audit plans, evaluating performance, and recommending improvements to the Board.	
	In addition, the AGRC is supported by top management through the establishment of the Risk Committee at the management level and the Corporate Governance and Risk Management (CGRM) Division. Together, they oversee the Group’s Enterprise Risk Management (ERM) and Business Continuity Management (BCM), ensuring effective risk and internal control frameworks, assessing and recommending risk policies and strategies, monitoring compliance, and evaluating emerging risks.		
	Further details can be found in the MSM Annual Integrated Report 2024 under the following sections:		
	<div>1. Principle A – Board Leadership and Effectiveness</div> <div>2. Principle B – Effective Audit and Risk Management</div> <div>3. Statement on Risk Management and Internal Control (SORMIC)</div>		
	Additional information is available on the MSM’s corporate website under: <div><div>- Board Charter</div><div>- Terms of Reference for the Audit, Governance and Risk Committee (AGRC)</div></div>		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The features of MSM risk management and internal control framework cover the following areas:</p> <p><u>Risk Management Framework</u></p> <p>To ensure effective enterprise-wide risk oversight, MSM has embedded risk management into all key processes and activities. These are guided by our Enterprise Risk Management Framework, designed in accordance with ISO 31000 Risk Management standards. This framework covers the Group's core business activities to identify, evaluate, and manage significant risks faced by MSM and its companies.</p> <p>The process is active throughout the year and regularly reviewed by the Audit, Governance, and Risk Committee (AGRC), Board and to the holding company, FGV, for adequacy and effectiveness. Reports on MSM Group's top risks, emerging risks, and high-level strategic risks are submitted quarterly by the Head of Corporate Governance and Risk Management (CGRM).</p> <p>The Group's internal control system provides clear, formalised and documented internal policies, standards and procedures to ensure compliance with internal controls and relevant laws and regulations. It enables all divisions and operating subsidiaries to effectively and efficiently operate and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives.</p> <p>Further details can be found in the MSM AIR 2024 under the following sections:</p> <ol style="list-style-type: none">1. Principle A – Board Leadership and Effectiveness2. Principle B – Effective Audit and Risk Management3. Statement on Risk Management and Internal Control (SORMIC)
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p><u>Functional Internal Audit Reporting Line</u></p> <p>MSM Group's internal audit functions are undertaken by its holding company's Group Internal Audit Division (GIA). The Chief Internal Auditor reports to the AGRC on MSM matters and has full and direct access to the AGRC members for consultation on any matters related to internal audit work.</p> <p>The AGRC annually reviews, provides guidance and approves the Audit Plan for the execution of the functional internal audit roles including the adequacy of the GIA's function, scope, competency, experience and resources allocated for MSM to ensure that GIA continues to perform its functions effectively and objectively. The AGRC in February 2024 had approved the Audit Plan for the year 2024 for implementation.</p> <p>The AGRC assesses the performance of the Chief Internal Auditor annually and reviews any report of assessment of the effectiveness of the GIA function with reference to the Institute of Internal Auditors' International Professional Practices Framework. The GIA assessment by the AGRC has been completed in December 2024.</p> <p><u>Adequacy of Scope</u></p> <p>The internal audit function provides assurance services for the Group covering all operations where the Group has management control.</p> <p>In addition to the assurance role, the internal audit function also undertakes advisory and investigative roles. In its advisory role, the internal audit function provides input on governance, risk and control when required. Investigative audits are undertaken upon any allegation of improper, illegal and dishonest acts based on the request of the Management or Board.</p> <p><u>Adequacy of Resources, Competence and Experience</u></p> <p>There were five (5) internal auditors comprising a Senior General Manager, a General Manager, a Manager and one (1) team of two (2) persons specifically assigned for audits of MSM Group throughout the financial year under review. The team was supplemented with personnel</p>

from other segments of GIA where it was deemed required. This included the IT audit, investigation and advisory support.

The total number of internal auditors was appropriate and sufficient in terms of the mix of knowledge, skills and other competencies in line with the scope of the audit and size of MSM Group. Composition of the internal auditors and the corresponding professional status are as follows:

Professional Status	No. of Auditors
Professional accounting (ACCA, CA) or Certified Internal Auditor (CIA) or post graduate (MBA or Masters)	2
Graduate	3
Total	5

The above includes three (3) internal auditors who are members of the Institute of Internal Auditors Malaysia.

The Chief Internal Auditor, who leads the Internal Audit function continuously keeps abreast with developments in the profession, relevant industry and regulations in order to perform its role effectively including undertaking root-cause analysis to provide strategic advice and suggest meaningful business improvements. The list of training attended by the Chief Internal Auditor is as follows:

No.	Name of Training	Date
1.	Release of Transparency International's Corruption Perception Index (CPI) 2023 results)	30 January 2024
2.	Advanced Training: Internal Auditor Strategy Awareness engagement & Competency Enhancement Session	12 February 2024
3.	Geopolitical Risks: Board Essentials for International Business	27 February 2024
4.	Finance & Corporate Services - Phase 2 Risk Appetite Statement (RAS) Divisional Workshop	14 March 2024
5.	A Practitioner's viewpoint on integrating ESG: How business can be a force for good	26 April 2024
6.	Ethically Mastering the Global Internal Audit Standards	09 May 2024
7.	35 th Annual ACFE Fraud Conference	23 – 28 June 2024
8.	Plantation Sector Internal Audit Seminar 2024	04 July 2024
9.	CyberDSA 2024	07 August 2024
10.	Global Internal Audit Standard 2024	16 August 2024

	11.	FGV Corporate Team Building	28 – 30 August 2024
	12.	National Climate Governance Summit 2024	10 – 12 September 2024
	13.	Talk on Workplace Communication	19 September 2024
	14.	IIAM National Conference 2024	30 September – 1 October 2024
	15.	Coaching and Mentoring Workshop	14 – 15 October 2024
	16.	APAC Diversity, Equity & Inclusion -DEI	16 - 17 October 2024
Explanation for departure :			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure :			
Timeframe :			

Intended Outcome

Companies 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><u>Independence and Objectivity</u></p> <p>A declaration of relationships and conflicts of interest has been undertaken annually for all GIA personnel. Declaration of relationships are also required during the recruitment process of internal auditors whereby candidates need to declare if they have any relationships within FGV Group, including MSM Group. In undertaking the internal audit work, GIA personnel assigned are free from any relationships or conflicts of interest to ensure their independence and objectivity.</p> <p><u>Number of Resources</u></p> <p>FGV Chief Internal Auditor leads the internal audits across MSM Group. Five (5) internal auditors comprising a Senior General Manager, a General Manager, a Manager and one (1) team of two (2) persons undertook audits of MSM Group throughout the financial year. The team was supplemented with personnel from other segments of GIA's FGV organization structure, where it is deemed required. MSM also has the benefit of the FGV IT audit team that performs internal audit work related to information technology.</p> <p><u>Name and Qualification of The Person Responsible</u></p> <p>The Chief Internal Auditor, Zalily Mohamed Zaman Khan, is a Certified Internal Auditor of the Institute of Internal Auditors (IIA), Certified Fraud Examiner of the Association of Certified Fraud Examiners (both from USA), a fellow member of CPA Australia, a professional member of the Institute of Internal Auditors Malaysia and holds an accounting degree from University of South Australia. She also holds a Certification in Control Self-Assessment and a Certification in Risk Management Assurance by IIA, USA. She has accumulated over 30 years of experience in various industries.</p>

	<p><u>Recognized Framework</u></p> <p>The GIA functions in accordance with a recognized framework, i.e. Global Internal Audit Standards (GIAS) and approved by the AGRC and Board.</p> <p>The conduct of GIA is based on MSM Internal Audit Charter which is consistent with the requirements of the GIAS and approved by the AGRC and Board. The activities of GIA are also guided by GIA Standard Operating Procedures. External Quality Assurance Review is undertaken once every five (5) years to assess GIA's performance against the standard. The latest External Quality Assurance Review was conducted by the Institute of Internal Auditors Malaysia in 2024.</p>			
Explanation for departure	:			
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company is committed to continuously disclosing and disseminating timely information to its shareholders and the investing community. This commitment aims to enhance their understanding of the Group and their ability to make well-informed investment decisions concerning the Group. Information disseminated by the Company can be accessed by the public via the Bursa Malaysia's announcements, which are also accessible through the Company's corporate website at www.msmsugar.com.</p> <p>The Company's corporate website also has a dedicated Investor Relations page at https://www.msmsugar.com/investor-relations/investor-relations which provides all relevant information such as annual reports, quarterly results, investor presentations as well as share price and financial information.</p> <p>The Company has a dedicated Investor Relations department, responsible for executing the investor relations programmes to ensure structured and balanced engagements with its stakeholders, particularly its current and potential shareholders.</p> <p>To ensure regular, effective, and transparent communication with its stakeholders, the Company utilises the following communication channels to disseminate information to our shareholders and the investing community on a timely basis:</p> <ul style="list-style-type: none">• General Meeting: These serves as important forums for shareholders to engage with the Directors and Key Senior Management of the Company.<ul style="list-style-type: none">- The 13th AGM was conducted fully virtual on 6 June 2024. The shareholders were given an opportunity to submit their questions prior to the event.- The issuance of the 13th AGM notice was made 22 days in advance to allow the shareholder to make necessary arrangements to attend and participate in person or through

	<p>corporate representatives or proxies, in compliance with Section 316(2)(a) of the Companies Act 2016 and the timeline prescribed in the Company's Constitution. The notice was issued on 14 May 2024 and the date of the 13th AGM was 6 June 2024.</p> <ul style="list-style-type: none"> - During the 13th AGM, the Chairman provided sufficient time for the questions and answers ("Q&A") session and all suggestions and comments given by the shareholders were attended by the Board and Management for consideration. - The Group Chief Executive Officer ("GCEO") presented on the Company's overall financial and non-financial highlights for the FY2023 as well as the Company's outlook for FY2024. - In addition, the questions raised by the Minority Shareholders Watch Group (MSWG") before the 13th AGM were shown and addressed at the 13th AGM by the Management and Board members. The Management and Board members had also answered the questions raised by the shareholders prior to the 13th AGM as well as those raised during the 13th AGM. Questions posed by MSWG and shareholders were displayed onscreen for the shareholders' viewing during the 13th AGM. - All questions raised before and during the 13th AGM, including those that were not addressed due to time constraints, together with the responses were uploaded on the Company's corporate website within 30 business days from the date of the 13th AGM. <ul style="list-style-type: none"> • Annual Integrated Report: This provides concise, clear and comprehensive information on the Group's financial performance, operating environment, corporate developments, sustainability efforts and the value created by the Group. • Press Releases, Interviews, General Announcements and Investor Events: These provide up-to-date information and updates about the Group and its businesses. • Company's Corporate Website: This provides updated information about the Group and its businesses, including access to MSM's Annual Integrated Reports, Sustainability Reports, circulars, policies, corporate governance practices, investor relations and financial information.
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	<p>In 2024, the Company conducted 28 distinct engagements with the investing community and other stakeholders. These included quarterly financial results briefings, site visits to MSM refineries, and the general meeting. Further details of these engagements can be found in the “Investor Relations” section of the AIR 2024.</p> <p>Further details on how the Group engages its stakeholders are available under the “Engaging with Our Stakeholders” section of our AIR 2024/“Stakeholder Engagement” Sustainability Report 2024.</p> <p>Our communication with stakeholders is governed by the Corporate Disclosure Policy and the Media and Spokesperson Policy. These policies ensure transparency, consistency and proactive management of information released to the stakeholders, while safeguarding the Company’s assets and reputation.</p> <p>Any enquiries on investors related matters may be directed to investor.relations@msmsugar.com or may also be directed to the following person:</p> <p>1. Fariza Haizumi Ahmad Investor Relations Officer Tel No.: +603- 21627900 E-mail: investor.relations@msmsugar.com</p>	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 12.2

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

Application	:	Applied																											
Explanation on application of the practice	:	<p>The Company's adoption of integrated reporting since its inaugural Annual Integrated Report ("AIR") in 2021. This approach is based on the Principle-based Framework of Integrated Reporting, which includes the Six Capitals, Seven Guiding Principles and Eight Content Elements as outlined by the Value Reporting Foundation ("VRF") and the International Financial Reporting Standards ("IFRS"). The publication of its AIR 2024 marks the fourth consecutive year of the Company's commitment to integrated reporting.</p> <p>The Company's AIR 2024 provides clear, pertinent and comprehensive information about MSM's business strategy, performance, and future prospects.</p> <p>The contents of the MSM AIR 2024 have been deployed accordingly with the following:</p> <table><tr><th>6 Capitals</th><th>7 Guiding Principles</th><th>8 Content Elements</th></tr><tr><td>1. Financial Capital</td><td>1. Strategic focus and future orientation</td><td>1. Organisational review and external environment</td></tr><tr><td>2. Intellectual Capital</td><td>2. Connectivity of information</td><td>2. Governance</td></tr><tr><td>3. Manufactured Capital</td><td>3. Conciseness</td><td>3. Business model</td></tr><tr><td>4. Human Capital</td><td>4. Reliability and completeness</td><td>4. Risks and opportunities</td></tr><tr><td>5. Social & Relationship Capital</td><td>5. Consistency and comparability</td><td>5. Strategy and resource allocation</td></tr><tr><td>6. Natural Capital</td><td>6. Materiality</td><td>6. Performance</td></tr><tr><td></td><td>7. Stakeholder relationships</td><td>7. Outlook</td></tr><tr><td></td><td></td><td>8. Basis of preparation and presentation</td></tr></table>	6 Capitals	7 Guiding Principles	8 Content Elements	1. Financial Capital	1. Strategic focus and future orientation	1. Organisational review and external environment	2. Intellectual Capital	2. Connectivity of information	2. Governance	3. Manufactured Capital	3. Conciseness	3. Business model	4. Human Capital	4. Reliability and completeness	4. Risks and opportunities	5. Social & Relationship Capital	5. Consistency and comparability	5. Strategy and resource allocation	6. Natural Capital	6. Materiality	6. Performance		7. Stakeholder relationships	7. Outlook			8. Basis of preparation and presentation
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	As Integrated Reporting is an ongoing and ever-evolving journey, the Company will continue to improve its Annual Integrated Reports in line with global best practices.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.1

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The notice of the 13th AGM held on 6 June 2024 was issued to the shareholders on 15 May 2024, which is less than 28 days prior to the AGM date. The delay was due to unforeseen changes in the AGM arrangements of the Company requiring additional time to finalize the notice.</p> <p>However, the Company still complied with the 21-days requirement for the issuance of the AGM notice under the Listing Requirements and Companies Act 2016. The Notice of the 13th AGM was also advertised in an English Malaysian newspaper in accordance with Clause 60 of the Company's Constitution.</p> <p>Despite the notice of the 13th AGM being issued less than the best practice of 28 days prior to the AGM date, shareholders were still able to participate, engage the Board and Senior Management effectively and make informed voting decisions at the 13th AGM. This is evidenced by the increase in the number of members who participated in the 13th AGM, with 1,516 members compared to 1,362 in the 12th AGM held on 8 June 2023. Additionally, the 13th AGM saw a slightly higher volume of questions received from shareholders, an indication of active engagement and interest. The questions received and the Company's responses, as well as the participation numbers as recorded in the 13th AGM minutes, are available on the MSM's corporate website.</p> <p>The 13th AGM Documents are accessible to the shareholders on MSM's corporate website at https://www.msmsugar.com/investor-relations/reports.</p>
		Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:	For MSM 14 th AGM onwards, the Company will take proactive measures to issue AGM notice earlier than the minimum required period, or at least 28 days prior to the meeting. This will provide shareholders with ample time to plan their attendance and allow institutional shareholders, who hold shares through custodians, to communicate voting instructions to the custodian and ensure that these are executed.	
Timeframe	:	Within 1 year	

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>In 2024, all Directors (except Fakhrunniam Othman who was undertaking his Hajj pilgrimage), including the Chairmen of the AGRC, NRC and Investment and Tender Committee (“ITC”), attended MSM 13th AGM held on 6 June 2024.</p> <p>The 13th AGM which was conducted entirely via Remote Participation and Electronic Voting (“RPEV”) facilities, provided opportunities for shareholders, proxies and corporate representatives to participate in the 13th AGM in real time and submit their questions or comments related to the 13th AGM agenda, as stated in the notice of meeting, prior to and during the meeting.</p> <p>All pertinent questions raised by the shareholders, proxies and corporate representatives were addressed by the Board and Senior Management during the 13th AGM. All questions submitted together with the Company’s responses were uploaded to the Company’s corporate website after the general meeting.</p> <p>Questions raised by the Minority Shareholders Watch Group (“MSWG”) prior to the 13th AGM, together with the Company’s responses, were also shared with shareholders during the meeting.</p> <p>The Chairman managed the proceedings of the 13th AGM effectively. Both the Chairman and Chairmen of Board Committees addressed all questions with courtesy and provided clear, truthful explanations.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company Secretary will take proactive measures for the 14 th AGM onwards, to ensure all Directors are able to attend and will continue to emphasise the importance of Directors attendance at all general meeting, in order to uphold exemplary corporate governance practices.

Timeframe	:	Within 1 year	
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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–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the recommended best practices in corporate governance, MSM has conducted poll voting in accordance with Paragraph 8.29A of the Listing Requirements through electronic voting ("e-Polling"). This method is more efficient and transparent, resulting in a fair and accurate reflection of shareholders' views. It reinforces greater shareholders' rights and aligns with the principle of "one share one vote".</p> <p>MSM 13th AGM, held on 6 June 2024, was conducted entirely via RPEV facilities from a broadcast venue. This approached leveraged technology in compliance with Section 327(1) and (2) of the Companies Act 2016, guided by the Guidelines on Virtual General Meetings issued by the SSM and Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission. MSM had successfully facilitated remote shareholders' participation and electronic poll voting, including voting in absentia (remote voting) via RPEV facilities, which encouraged greater shareholders participation. Shareholders were able to view the AGM proceedings through live streaming, pose questions in real time to the Board and Management of the Company, and submit their votes remotely using the RPEV facilities via the online meeting platform at https://investor.boardroomlimited.com.</p> <p>The Minutes of the 13th AGM (including all the questions raised at the meeting and the Company's responses thereto) were made available on MSM's corporate website at https://www.msmsugar.com/investor-relations/events-announcements.</p> <p>MSM has taken security measures to protect important and confidential information from manipulation, theft or disclosure within its IT infrastructure, ensuring appropriate cyber hygiene.</p>

	<p>For preventing cyber threats, MSM has both an internal and external cybersecurity framework. The cyber protection comes from two layers of firewall for external threats and also Trend Micro for both internal and external threat protection applications (e.g. Email, One Drive, Share Point, Data Leak, etc.).</p> <p>Security is critical to successful virtual general meetings. This is because a meeting's integrity depends on both the certainty and security of the identification of shareholders and access to this secure list. This is to ensure these virtual participants are who they claim to be.</p> <p>The 3rd party service provider for the online platform/tools for MSM's virtual 13th AGM confirmed that they had used patented technology, a certified platform via Amazon Web Services (AWS) and has been independently proven to be accurate and secure.</p> <p>The said technology:</p> <ol style="list-style-type: none"> 1. Regularly undergoes penetration testing (PEN testing) performed by independent, accredited, third party experts and currently there are no high or critical findings. 2. Uses a secure, encrypted network, monitored by a designated team throughout the 13th AGM event and creates a clean network that is maintained from start to finish. 3. Uses modern, industry standard encryption techniques to ensure data protection and thus allow for the safety of all personal data used and stored for the 13th AGM. 4. Uses a trackable and transparent voting process with instant results collated on screen, and creates a seamless voting audit trail. 5. The security, confidentiality, integrity and availability of the LUMI AGM application (LUMI) are vital in conducting a successful AGM in Malaysia. 6. All LUMI facilities systems and suppliers' services are certified to the ISO/IEC 27001:2013 international standard. This provides a robust, auditable and externally verified framework of controls designed to maintain the confidentiality, integrity and availability of customer information and the personal data LUMI processes on their behalf. LUMI uses strong, industry best-practice encryption techniques to ensure customer data is protected from unauthorized access. All data is encrypted, with all keys managed directly by LUMI. LUMI systems also have audit trails. 7. In addition, Lumi has successfully attained SOC2 Type 2 compliance – the global gold standard for ensuring the security, confidentiality, and availability of digital platforms. This accomplishment underscores of their unwavering commitment to safeguarding all data processed within our platforms, reinforcing Lumi's position as the trusted partner.
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	<p>8. All products are developed according to The Open Worldwide Application Security Project ("OWASP") principles by LUMI's highly skilled and trained in-house developers. Information security and data privacy are of paramount importance at all stages of the Software Development Life Cycle.</p> <p>9. All cloud-based infrastructure is provided by Amazon Web Services (AWS), using the latest industry standards in physical and logical controls. Strong controls to protect against Distributed Denial of Service (DDoS) are in place such as AWS Shield, throttling connection attempts, IP blacklisting etc. Additionally, features and functionality are built into LUMI AGM to protect from a legitimate shareholder wishing to disrupt the meeting (e.g. protester or activist) where messages are moderated, users can silenced/muted or ejected.</p> <p>10. Boardroom's Client data is never used for QA purposes and is not retained beyond the purpose of processing the Client's proxy forms for the conduct of the AGM.</p> <p>11. All Client data is segregated in a multi-tenancy environment. For the sovereignty of data, LUMI provides a geographical selection of data centres (Canada, USA, EU, Japan, Singapore and Australia).</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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.

Application	:	Applied
Explanation on application of the practice	:	<p>During the 13th AGM of MSM, the Group CEO presented MSM's performance report for the financial year 2023, which highlights MSM's achievements, including the Company's strategy and moving forward plans. The slide presentations are available on MSM's corporate website at https://www.msmsugar.com/investor-relations/events-announcements.</p> <p>All shareholders, proxies and corporate representatives who participated in the MSM's 13th AGM were given sufficient opportunity to pose questions and seek clarification about the Group's activities, prospects, the resolutions proposed, the Group's operations in general, as well as expressed their expectations and concerns online via the RPEV facilities. They were able to submit questions before the meeting day and also on the meeting day as early as an hour before the start of the AGM until the announcement by the Chairman of the meeting on the closure of the Question and Answer session. They were also encouraged to participate by submitting questions on real-time basis.</p> <p>At the commencement of MSM's 13th AGM, the Chairman, Datuk Syed Hisham Syed Wazir, briefed the shareholders, corporate representatives and proxies present virtually at the meeting on the outline of the proceedings of the meeting and their rights to ask questions and vote on the resolutions as set out in the Notice of the 13th AGM dated 15 May 2024.</p> <p>For the 13th AGM, MSM received a total of 90 questions and comments posed by shareholders prior to and during the meeting. A total of 62 pertinent questions were answered during the 13th AGM, along with the responses that were made available to all participants.</p>

	<p>All questions and comments raised by the shareholders at the 13th AGM were compiled and published on MSM's corporate website to the shareholders accordingly.</p> <p>The questions submitted by the MSWG together with MSM's responses were flashed on the live screen during the meeting and made visible to all meeting participants.</p> <p>The Chairman, the Board members and Top Management were present to respond to questions raised and provided clarifications as required by shareholders.</p> <p>Whilst the AGM is one of the platforms where shareholders can raise issues or seek explanation from the Board and Management, they are free to share their feedback and questions at investor.relations@msmsugar.com at any time, outside of the AGM.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>MSM had engaged a proven 3rd party service provider, Boardroom Share Registrars Sdn Bhd, to provide the online meeting platform using the RPEV facilities for the virtual 13th AGM, which supported both fully virtual and hybrid setups. The online platform came with an end-to-end setup to cater for the virtual live streaming of the 13th AGM event right from the registration of the participants, live broadcast engagement during the AGM and electronic voting process. The network infrastructure was able to support the live event, and a dedicated bandwidth was provisioned to ensure smooth broadcasting to the participants (Board, Management and shareholders).</p> <p>Item 2.13 of the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission states that the right of a shareholder to speak at a fully virtual general meeting is not limited to verbal communication but includes other modes of expression, i.e. real-time submission of typed texts.</p> <p>The RPEV facilities provided by the 3rd party service provider allowed shareholders to exercise their rights to participate, including to pose questions to the Board/Management of the Company and vote at the 13th AGM.</p> <p>The Board has appointed Tricor Business Intelligence & Solutions Sdn Bhd ("Tricor") as the independent moderator of the 13th AGM. Tricor acted independently and objectively to oversee and moderate the collation of questions submitted by shareholders to ensure that they are responded to accordingly.</p>

	<p>Questions posed by shareholders, proxies and corporate representatives were made visible to the participants of the 13th AGM during the question and answer session within the chat messaging platform. Questions of a similar nature were collated and addressed together.</p> <p>For the 13th AGM, MSM received a total of 90 questions and comments posed by shareholders prior to and during the meeting. A total of 62 pertinent questions were attended to during the 13th AGM together with responses to the same and made visible to all meeting participants.</p> <p>All questions and comments raised by the shareholders at the 13th AGM were compiled and published on MSM's corporate website at https://www.msmsugar.com/investor-relations/events-announcements.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of MSM's 13 th AGM, together with the Group CEO presentation deck, list of questions posed by shareholders and MSWG and the Company's responses were published on MSM's corporate website on 22 July 2024, which is within 30 business days after the 13 th AGM date on 6 June 2024.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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