

CORPORATE GOVERNANCE REPORT

STOCK CODE : 3859
COMPANY NAME : Magnum Berhad
FINANCIAL YEAR : December 31, 2022

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 PERSUANT 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 :	<ul style="list-style-type: none">• The Board is collectively charged with the responsibility of leading and managing the business and affairs of the Group in an effective manner. Each director has a legal duty to act in the best interest of the Company at all times. <p>The Board assumes, among others, the following principal duties and responsibilities:</p> <ul style="list-style-type: none">(a) Establishing the corporate vision and mission, as well as the philosophy of the Group;(b) Reviewing, adopting and monitoring the overall strategies and direction of the Group including setting performance objectives and approving the annual operating budgets for the Group as well as ensuring that the strategies promote good corporate governance culture and sustainability;(c) Overseeing the conduct and performance of the Group's businesses to evaluate whether the businesses are being properly managed. This includes ensuring the solvency for the Group and the ability of the Group to meet its contractual obligations and to safeguard its assets;(d) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;(e) Succession planning for the Board and Senior Management, including appointing, training, fixing the compensation of, and where appropriate, replacing Key Senior Management;(f) Developing and implementing an investor relations programme or stakeholders' communications policy for the Group to ensure an effective, transparent and regular communication with its stakeholders;(g) Reviewing the adequacy and the integrity of the Group's internal control systems and management

	<p>information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;</p> <p>(h) Overseeing the operation of the Group's Enterprise Risk Management Framework, assessing its effectiveness and reviewing any major/significant financial and non-financial risks facing the Group;</p> <p>(i) Review and support the World Lottery Association's Responsible Gaming Framework established to ensure compliance to the comprehensive set of standards related to social responsibility;</p> <p>(j) Review and ensure Management compliance to the World Lottery Association's Security Control Standards:2020 and ISO/IEC 27001:2013 standards, which entails putting in place an Information Security Management System (ISMS) with additional lottery related controls implemented; and</p> <p>(k) Review the overall corporate governance performance of the Company to ensure that the Company is attuned with the evolving expectations of stakeholders, regulatory changes and market dynamics whilst remaining relevant to the needs of the Company's business and core values.</p> <ul style="list-style-type: none"> • Every year, the Board meets at least five times to discharge its duties and responsibilities in a transparent and objective manner with integrity, transparency, accountability and professionalism to safeguard the interest of all stakeholders and enhance shareholders' value as well as for long-term sustainability and growth. • The Chairman ensures that decisions are made on a sound and well-informed basis and ensures all strategic and critical issues are considered and discussed by the Board and that all Directors received clear, relevant and comprehensive information on a timely basis. • The Executive Directors formulate and initiate corporate proposals and business strategies for Board's discussion, approval and adoption. Thereafter, they will oversee and monitor the implementation of the Board's procedures and policies within the budgeted resources approved by the Board. • The Board receives updates from the Management on the Group's operations and performance as well as the status of implementation of the Board's policies and decisions during the Board Meetings. • Annual key performance indicators are set for important tasks and communicated to Management, and will be periodically reviewed during monthly Management's meeting and any critical unresolved issues will be escalated to the Board for decision during its quarterly meeting.
--	--

	<ul style="list-style-type: none"> • The Board reviews and approves the Group's capital expenditures, operational and other supplemental budgets annually to ensure that the necessary resources are in place for the Group to meet its objectives. • Apart from the four Board Committees, sub-committees such as Management Risk Committee, Information Security Committee and ESG Committee have been established to assist and complement the Board and its Committees in the execution of its responsibilities. <p>The Board is aware that this delegation of work does not abdicate its responsibilities and such delegations do not in any way hinder nor reduce the Board's ability to discharge its function efficiently.</p> <ul style="list-style-type: none"> • Since year 2013, the Group has adopted a Business Continuity Plan and Disaster Recovery Plan in line with the World Lottery Association-Security Control Standard/ISO 27001 which is reviewed annually and tested at least once a year. • The Directors published the Group's vision and mission statements as well as the core values on the Company's Integrated Annual Report and website to promote and implement good corporate culture within its Group which reinforces ethical, prudent and professional behaviour with emphasis on customer-centricity. • The Directors also published its Board Charter, Code of Business Conduct and Ethics, its Committees' Terms of Reference, Directors' Fit and Proper Policy and other official corporate frameworks on the Company's website to ensure its obligations to its stakeholders are understood and met.
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 Board is led by a Non-Executive Chairman, Tan Sri Dato' Surin Upatkoon. The key roles and responsibilities of the Non-Executive Chairman are clearly set out and established in the Board Charter which include, among others, the following:</p> <ul style="list-style-type: none">(a) responsible for the leadership, effectiveness, conduct and instilling good corporate governance practices of the Board;(b) managing the Board's communications and the Board's effective supervision over the Management;(c) enduring orderly conduct and proceedings of the Board and general meeting;(d) ensuring Board proceedings are in compliance with good conduct and best practices;(e) encouraging active participation and allowing dissenting views to be freely expressed;(f) protecting the interest and provide for the information needs of various stakeholders; and(g) maintaining good contact and effective relationships with external parties and investing public.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The position of Chairman is held by Tan Sri Dato' Surin Upatkoon and the Executive Directors are Dato' Lawrence Lim Swee Lin and Krian Upatkoon. The roles, responsibilities and authority of the Chairman and the Executive Directors are clearly segregated and defined in the Board Charter which is made available on the Company's website.</p> <p>In summary, the Chairman of the Board provides overall leadership to the Board in decision making, instilling good corporate governance practices and is primarily responsible for the orderly conduct and working of the Board.</p> <p>The Executive Directors are responsible for the day-to-day running of the Group's business and the implementation of Board's policies and decisions.</p> <p>The distinct and separate roles with clear division of responsibilities in the Board ensure a balance of power and authority at all times, such that no one individual has unfettered decision-making powers.</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 1.4

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	In 2022, the Chairman of the Board was also the Chairman and member of the Remuneration Committee. Since March 2017, the Non-Executive Board Chairman has waived his entitlements to the annual Directors' Fee.	
	:	The Board is of the view that there is no issue with regard to the check and balance as well as objectivity of any recommendations made by the Remuneration Committee as all decisions are made collectively and interested member will abstain from deliberations and decisions on matters of which he has an interest.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Chairman of the Board had in March 2023 relinquished his positions as the Chairman and member of the Remuneration Committee. Since March 2023, he no longer sits in any Board Committees.	
Timeframe	:	Others	Applied in March 2023

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 Board is supported by suitably qualified and competent Company Secretaries. Every Director also has ready and unhindered access to the advice and services of the Company Secretaries. Both Company Secretaries are qualified to act as company secretary and meet the requirement under Section 235 of the Companies Act 2016. They also hold valid practising certificates issued by the Registrar of Companies under Section 241 of the Companies Act 2016.</p> <p>The Company Secretaries play an advisory role to the Board particularly with regard to the Company's constitution, Board policies and procedures, corporate governance issues and Directors' responsibilities in complying with regulatory requirements, codes, guidance and legislation.</p> <p>The Company Secretaries also regularly update the Board on changes to statutory and regulatory requirements and advise the Board on the impact, if any, to the Company and the Board. The Company Secretaries attend all Board and Board Committees meetings as well as general meetings and ensure that deliberations and decisions are well documented and kept, and subsequently communicated to the relevant Management for appropriate actions.</p> <p>The Company Secretaries also serve notices to the Directors and principal officers to notify and periodically remind them of the closed periods for dealings in the Company's shares pursuant to the provisions under the Listing Requirements. In addition, they work closely with Management to facilitate the flow of timely and accurate information to the Board.</p> <p>The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments through attendance at relevant conferences and continuous training programmes.</p> <p>The Board is satisfied with the support and performance provided by the Company Secretaries in assisting the Board to discharge its duties.</p>
Explanation for departure :	

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

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that decision making process is highly dependent on the quality of information furnished. As such, the Board expects and receives adequate, timely and quality information on an ongoing basis to enable the Board to discharge its duties effectively.</p> <p>The Board receives updates from the Management on the Group's operations and performance as well as the status of implementation of the Board's policies and decisions during the Board Meetings.</p> <p>Prior to a Meeting, a formal agenda and the relevant proposal papers together with supporting documents are provided to the Board members not less than five business days or a shorter period where deliberations involve price-sensitive information in accordance with the listing requirements, before the relevant Board and Board Committee meetings to ensure that they have sufficient time to peruse, deliberate, obtain additional information and/or seek further clarification on the matters to be tabled at the meetings.</p> <p>The Board meetings are chaired by a Non-Executive Chairman, who is responsible to ensure that each of the agenda is adequately reviewed and thoroughly deliberated within a reasonable time frame. The Board meetings' dates of the Company are planned ahead of schedule and a commitment is obtained from the Directors on their availability to attend the Board meetings.</p> <p>Where a director is directly or indirectly interested in any transaction entered into by the Company, he/she has a duty to make an immediate declaration to the Board and he/she is required to abstain from deliberations and decisions of the Board on the transaction.</p> <p>The Chairman shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Board. The minutes of the Board meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.</p>

	<p>Minutes of each Board meeting shall be distributed to all members of the Board in a timely manner.</p> <p>All proceedings of the Board, including papers submitted and presentations made to the Board, shall be kept confidential and will not be disclosed or released to any person other than the Board members except as required by laws or as agreed by the Board.</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

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>Since February 2013, the Board has established a Board Charter which sets out the composition, principal roles and responsibilities of the Board, its various Board Committees, individual directors and Management.</p> <p>The Board Charter also outlines the processes and procedures for the Board and its Committees to be effective and efficient.</p> <p>The Board Charter was last reviewed by the Nomination Committee in November 2022 to ensure it remains relevant and consistent with the Board's objectives and responsibilities, and all relevant standards of corporate governance.</p> <p>The Board Charter affirms to the stakeholders that the Board has in place a formal schedule of matters reserved specifically for its decision as set out in the Authority Chart which is approved and periodically reviewed by the Board.</p> <p>The Authority Chart guides the Management, headed by the Executive Directors, in the day-to-day running of the Group's business.</p> <p>The Authority Chart also sets out specific matters that require the approval of the Board namely, corporate and business continuity plans, annual budgets, acquisitions and disposal of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies and procedures.</p> <p>The Authority Chart spells out the approving limits and the types of authority delegated by the Board to Senior Management who is responsible for the implementation of Board's policies and decisions. The Authority Chart is periodically reviewed and updated to reflect the changes in the business, operational and organisational environment.</p> <p>The Management establishes targets and milestones which are presented to and approved by the Board. These targets and milestones are monitored and reviewed regularly and</p>

	<p>responsibilities re-aligned when necessary to ensure the Group's needs are consistently met.</p> <p>The Board also maintains specific Board committees with clear responsibilities and terms of reference to assist the Board in carrying out its stewardship role and function, and fulfilling its fiduciary duties and responsibilities.</p> <p>The Board did not appoint a Senior Independent Director ("SID") as recommended by Guidance 2.1. The Board is of the view that the SID's roles, as an intermediary for other directors when necessary and as the point of contact for stakeholders, can be undertaken by the Chairman of the Board. Any one of the existing Independent Directors can also act as a sounding board for the Chairman.</p> <p>Thus, in the Board Charter, it was stated that the Board has identified the Chairman of the Board as the main contact person to whom any shareholders' concerns may be conveyed. The current Chairman is a Non-Independent Non-Executive Chairman.</p> <p>The Board Charter is available on the Company's website at www.magnum.my.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.1

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>Since year 2012, the Board had adopted the Directors' Code of Business Conduct and Ethics which serves as a guide for the Board in discharging its oversight role effectively.</p> <p>The Code of Business Conduct and Ethics requires all Directors to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders at all times. The Nomination Committee had last reviewed this Code in November 2021.</p> <p>The Directors' Code of Business Conduct and Ethics is available on the Company's website at www.magnum.my.</p> <p>In addition to the Directors' Code of Business Conduct and Ethics which is accessible by the public on the Company's website, the Company, since May 2013, has in place a Code of Conduct which sets out the standards on ethical conduct and responsibility for all employees of the Group. The scope of this employees' Code of Conduct includes confidentiality, conflict of interest, gifts and entertainment and, the use of the company's assets.</p> <p>All employees including Management must comply with this employees' Code of Conduct Policy as well as would have signed a non-disclosure agreement upon acceptance of employment. The employees' Code of Conduct Policy is published in the Company's intranet and accessible by all employees of the Group.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's Whistle Blowing Policy was amended and adopted by the Board together with the Group's new Anti-Bribery and Anti-Corruption Policy and Procedure (collectively "ABAC Policy") since May 2020. In line with the ABAC policy, an ABAC Officer was appointed to oversees the Group's compliance to the ABAC policy.</p> <p>The Whistle Blowing Policy establishes a clear, transparent and secured communication channel for employees and other stakeholders of the Company/Group to raise their legitimate concerns on any unethical, questionable or improper conduct within the Company/Group and thus, enables the Company/Group to take swift, fair and effective corrective actions.</p> <p>The Group's ABAC Policy including the Whistle Blowing Policy will be reviewed periodically and are available on the Company's website at www.magnum.my.</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 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>The Directors of the Company are responsible for managing and steering the sustainability strategies and policies and committed to embedding sustainability in the operations through active engagement in decision making, determining strategic directions and ensuring compliance to laws, regulations ethics, risk management control to support and drive long-term value creation taking into consideration economic, environmental and social considerations.</p> <p>The Board also carry overall responsibility for the development of sustainability of the Company and provide oversight.</p> <p>The Board are supported by the three (3) key committees with regard to the Group's sustainability framework: -</p> <ul style="list-style-type: none">▪ Group Risk Management Committee – responsible for the management and formulation of sustainability policies, defining the framework of rules and procedures for how business operations are governed, identifying sustainability risks and opportunities and also monitors the implementation of sustainability initiatives in the Magnum Group and reporting to the Board.▪ Management Risk Committee – provides execution support and collaborates with other working groups including the Sustainability Committee, Information Security Committee and all Heads of Departments that collectively develop action plans and implement the Group's sustainability related matters, review and address material issues, and ensure strategies align to a framework guided by the Group's key corporate values.

	<ul style="list-style-type: none"> ▪ ESG Committee – responsible for the following: - <ul style="list-style-type: none"> (a) Setting appropriate strategic goals and Key Performance Indicators (KPIs) to meet the Group’s long-term ESG goals; (b) Identifying, addressing and reporting on sustainability risks, including emerging risks, and mitigation plans; (c) Ensuring that all implemented plans, strategies, and procedures are consistent with current best practices of sustainability; (d) Evaluating and reporting on the Group’s sustainability performance, emphasizing measurable outcome and impact; and (e) Approving the annual sustainability plan. 	
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 4.2

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 Company ensures that it communicate and disclose material information with its stakeholders in a transparent and timely manner.</p> <p><u>Internal stakeholders</u></p> <ul style="list-style-type: none"> • Sustainability disclosure reported in Management Meeting; • Bi-annual review on enterprise risk assessment; • Town hall updates on major material issues to all staff • Monthly bulletin update; and • Electronic bulletin updates with sales partner and sales frontliners. <p><u>External stakeholders</u></p> <ul style="list-style-type: none"> • Annual audit review with WLA auditors; • Customer Support Centre for public engagement; • Corporate engagement and investors meeting; • Public announcement & press releases; • Website and social media platform; • Survey and on-ground engagement; and • ESG assessment and compliance for supply chain and vendors, where applicable. <p>A comprehensive list of engagements with various stakeholders' groups covering sustainability strategies, priorities and performance targets are set out in the Sustainability Statement in the Integrated Annual Report which is made available on the Company's website.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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	:	<ul style="list-style-type: none"> ▪ Board is encouraged to have 'Sustainability' training to gain understanding and knowledge of sustainability issues that are relevant to the Company and its business; ▪ Responsible gaming is a core value to the sustainability of the business and the Company's 100%-owned subsidiary, Magnum Corporation Sdn. Bhd., being the first Malaysian lottery corporation that has attained Level 3 Responsible Gaming certification from World Lottery Association ("WLA"); ▪ Awareness on the need to address climate-related issue ▪ Align the Group's sustainability mission according to the relevancy of United Nation Sustainability Development Goals (UNSDGs) and its measurements; ▪ Appropriate efforts and mitigation on waste management ▪ Encourage the ESG governance and compliance of supply chains and vendors, where applicable; ▪ Committed to reduce in paper-usage; ▪ To drive initiative on usage of electronic bet tickets in parallel with physical bet tickets; ▪ Subject to regulatory approval, to launch online paperless betting; ▪ Effort taken to reduce energy consumption and reduce carbon footprint; ▪ A volunteering programme for employees which consist of ESG driven activities; and ▪ To continuously identify and carry out more green initiatives and engagements.
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 Nomination Committee ("NC") recognised that the Company's material sustainability matters are regularly reviewed by the Executive Directors together with other Senior Management at the Management Risk Committee (MRC) meetings before such material sustainability matters are reported and approved by the Board's Group Risk Management Committee ("GRMC") at its meetings held twice yearly. The NC noted that there are no issues highlighted on material risks in the GRMC meetings held during the year 2022.</p> <p>The Directors' overall performance with regard to sustainability matters is embedded in the annual self-assessment questionnaires completed by the 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

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>Since March 2022, Ms Aamelia Termizi, Magnum Group's CSR Manager (now Vice President 2 – Brand & CSR), has succeeded Mr Koh Hon Keat as the new Sustainability Officer to manage the integration of sustainability considerations in the Group's operations.</p> <p>She is primarily responsible to coordinate in the setting up, facilitating and promoting the Sustainability culture in line with the Company's Sustainability blueprint to ensure meeting of expected performance, goals and targets.</p> <p>In addition, she is responsible to prepare the performance reporting of Sustainability practices, controls and procedures and coordinates with the various Heads Of Departments/Regional Heads in the Group to ensure compliance.</p> <p>She has undertaken the following key actions or measures pursuant to her role as Sustainability Officer during the year 2022:-</p> <ol style="list-style-type: none">1. Established the Company's Sustainability Procedures;2. Sustainability Committee had been revised to ESG Committee which consists of C-suite and key senior management;3. Established 'Magnum Volunteering Programme' for employees consisting of ESG-driven activities which had recorded 1,300 hours of volunteering works in 2022; and4. Magnum Group's employees had also planted 500 trees to help in reducing pollution as a climate action.

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 Nomination Committee oversees the overall composition of the Board in terms of the appropriate size, balance between the numbers of Executive, Non-Executive and Independent Directors, and a wide mix of various elements required to be appointed as Directors of the Company in accordance with the Main Market Listing Requirements.</p> <p>The Constitution of the Company provides that all Directors shall retire from office at least once every three years and that at every Annual General Meeting, at least one-third of the Board for the time being shall retire from office and shall be eligible for re-election. The Constitution further provides that those Directors appointed during the financial year shall retire from office at the next Annual General Meeting and they may offer themselves for re-election.</p> <p>The process of re-election of Directors ensures that shareholders have a regular opportunity to reassess the composition of the Board. The election of each Director is voted on separately by the shareholders at the Annual General Meeting.</p> <p>Retiring Directors who are seeking re-elections are subject to Directors' assessment overseen by the Nomination Committee.</p> <p>Upon the recommendation of the Nomination Committee, the Directors namely, Datuk Vijeyaratnam a/l V.Thamotharam Pillay and Jean Francine Goonting, will be retiring by rotation at the forthcoming 47th Annual General Meeting and being eligible, they have offered themselves for re-elections.</p> <p>Ng Siew Hong, who was appointed as an Independent Director in March 2023, will also be retiring at the forthcoming 47th Annual General Meeting and being eligible, she has offered herself for re-election.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.2

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

Application	: Departure															
Explanation on application of the practice																
Explanation for departure	<p>In 2022, the composition status of the Board of Magnum was as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Designation of Director</th> <th style="text-align: center;">Number of Directors</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td>Non-Independent Executive</td> <td style="text-align: center;">2</td> <td style="text-align: center;">33.33</td> </tr> <tr> <td>Non-Independent Non-Executive</td> <td style="text-align: center;">2</td> <td style="text-align: center;">33.33</td> </tr> <tr> <td>Independent Non-Executive</td> <td style="text-align: center;">2</td> <td style="text-align: center;">33.33</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center;">6</td> <td style="text-align: center;">100.00*</td> </tr> </tbody> </table> <p><i>*Nearest to 100%</i></p> <p>The Board of Magnum continues to have a strong mix of experienced individuals as Directors and a majority of them are Non-Executive Directors. The Non-Executive Directors are not employees of the Company and they do not participate in the day-to-day management of the Company. Thus, they remain objective and independent minded when they participated in the deliberations and decision making of the Board. This ensures effective check and balance in the functioning of the Board.</p> <p>Should a director be interested in any transaction to be entered into by the Company, the interested Director will abstain from deliberations and decisions of the Board on the transaction. Hence, the Directors have the ability to exercise their duties and make decisions which are in the best interest of the Company.</p> <p>The Board is of the opinion that there is no issue with regards to the balance of power and authority on the Board as the roles of the Non-Executive Chairman, Executive Directors and Non-Executive Directors are clearly set out, separated and established. The decision-making process of the Board is based on collective decisions without any individual exercising any considerable concentration of power or influence and well balanced by the presence of strong elements of independence with a large majority of Non- Executive Directors in the Board.</p>	Designation of Director	Number of Directors	%	Non-Independent Executive	2	33.33	Non-Independent Non-Executive	2	33.33	Independent Non-Executive	2	33.33	Total	6	100.00*
Designation of Director	Number of Directors	%														
Non-Independent Executive	2	33.33														
Non-Independent Non-Executive	2	33.33														
Independent Non-Executive	2	33.33														
Total	6	100.00*														
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																

Measure	<p>: The Board had in March 2023 appointed an additional independent Director, bringing the total number of Independent Director to three. This is equivalent to a 10% increase from 33.3% (2 Independent Directors out of 6 Board members in 2022) to the current 42.9% (3 Independent Directors out of 7 Board members) of the total number of Board members in the Company.</p> <p>The Board had in March 2023 approved the extension of the timeframe for application of Practice 5.2 of the Malaysian Code on Corporate Governance for 3 years i.e. by the year end of 2025.</p>
Timeframe	<p>: Within 3 years</p>

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied													
Explanation on application of the practice	:	As at 31 December 2022, none of the Independent Directors in office namely, Dato' Seri Lim Tiong Chin and Jean Francine Goonting, has served the Board in such capacity for more than nine years. The summary of the years of service of the Independent Directors as at 31 December 2022 is set out below: -													
		<table border="1"><thead><tr><th>Years of Service</th><th><1</th><th>1 to <3</th><th>3 to <6</th><th>6 to <9</th></tr></thead><tbody><tr><td>Number of Directors</td><td>0</td><td>1</td><td>1</td><td>0</td></tr></tbody></table>	Years of Service	<1	1 to <3	3 to <6	6 to <9	Number of Directors	0	1	1	0			
Years of Service	<1	1 to <3	3 to <6	6 to <9											
Number of Directors	0	1	1	0											
Explanation for departure	:														
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>															
Measure	:														
Timeframe	:														

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

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

Practice 5.5

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

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

Application :	Applied
Explanation on application of the practice :	<p>The Nomination Committee practices a clear and transparent nomination process which involves the following in respect of the appointment of Directors: -</p> <p>Stage 1: Identification of candidates;</p> <p>Stage 2: Meeting up with the candidates;</p> <p>Stage 3: Evaluation of suitability of candidates;</p> <p>Stage 4: Final deliberation by the Nomination Committee; and</p> <p>Stage 5: Recommendation to the Board.</p> <p>The Nomination Committee considers, among others, the following aspects in making the selection of candidates to be appointed as Director: -</p> <p>(a) the person must have the key qualities such as honesty and integrity;</p> <p>(b) the person must have the appropriate qualification, training, skills, practical experience and commitment to effectively fulfill the role and responsibilities of the position;</p> <p>(c) the person must manage his debts and financial affairs prudently; and</p> <p>(d) the person must be apolitical.</p> <p>All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board and the overall effectiveness of the Board, taking into account the nature of the industry and the highly regulated environment in which the Group operates. The proposed appointment of a new Director to the Board will be approved by the full Board based on the recommendation of the Nomination Committee.</p>

	<p>Since November 2014, the Board has adopted a Board Diversity Policy which sets out the approach to achieve boardroom diversity. This policy aspires to ensure the mix and profiles of the Board members from a number of aspects including but not limited to gender, age, ethnicity, background, skills, knowledge and length of service.</p> <p>The Board recognises diversity as an important criterion to determine board composition as it provides the necessary range of perspectives, experiences and expertise required to achieve stewardship and management of the Company and the Group.</p> <p>The Group adopts the 'Diversity, Inclusivity and Gender Policy' for its workplace to promote and incorporate diversity as an important criterion in its recruitment exercise.</p> <p>Nonetheless, the Group practises equal opportunity, and all appointments and employments are based on objectives criteria and merits.</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 5.6

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>Apart from recommendations by existing Board members, management or major shareholders, the Board through its Nomination Committee would identify potential candidates from various sources including professional bodies as part of its recruitment of directors' exercise.</p> <p>However, the list of candidatures obtained from these external sources are limited due to the nature of the industry and the highly regulated environment in which the Group operates.</p> <p>Hence, the Company had and would continue to directly approach individuals who would have the relevant work experience, competency and knowledge of the Group's businesses.</p> <p>During financial year 2022, no new Directors were appointed to the Board. In March 2023, an additional female Independent Director was appointed to the Board.</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	:	The Board had provided a statement to support the reappointment of the directors and the reasons in the Company's Notice of 46 th Annual General Meeting held on 20 May 2022. The Board shall continue to provide such explanatory and recommendatory statement for all future annual general meeting to ensure shareholders can make an informed decision on the appointment or re-appointment of a director.
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Although the Chairman of the Nomination Committee was a Non-Independent Director, the Board is of the view that he had successfully led the Nomination Committee to perform its duties transparently and independently during 2022.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Since March 2023, the Nomination Committee is chaired by an Independent Non-Executive Director, Dato' Seri Lim Tiong Chin, who has the work experience, knowledge and skill to: <ul style="list-style-type: none">• lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and management succession, including future Chairman and Executive member; and• lead the annual review of board effectiveness and ensuring the performance of each individual director, including Chairman of the board, is independently assessed.	
Timeframe	:	Others	Applied in March 2023

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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board recognises that diversity, including the facet of gender, enhances the decision-making capability of the Group by bringing varying perspectives and better reflecting the realities of society.</p> <p>There was one female Director on the Board during 2022 and in March 2023, another female Director was appointed to the Board. This current new composition of women Directors made up to one third of the total Board members.</p>	
		<p>On the Management front, the Board's commitment to promote the Group's 'Diversity, Inclusivity and Gender Policy' for the workplace is reflected in the Group's healthy employee gender profile of 47.4% (2021: 48.0%) female to 52.6% (2021: 52.0%) male employees, and the high percentage of female employees at 38.1% (2021: 38.8%) holding supervisory and managerial positions as at 31 December 2022.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	<p>In 2022, the Nomination Committee undertook several concerted steps to ensure that suitable candidates are sought from various sources including professional bodies as part of its recruitment exercise. The Nomination Committee has also considered suitable candidates recommended by the existing Board members, Management or major shareholders, former Directors or Senior Management.</p> <p>The Board is of the view that the current female representation on the Board (one third to the 7 Board members) is adequate for the business model of the Group and has considered that the Company has applied Practice 5.9 in March 2023.</p>	
Timeframe	:	Others	Applied in March 2023.

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	:	The Board had disclosed its diversity policy and Management's gender diversity on pages 69 and 70 of the Company's Integrated Annual Report 2021 which was issued in April 2022. The Board has continued to disclose its diversity policy and Management's gender diversity on page 69 of the Company's Integrated Annual Report 2022 to be issued in April 2023.	
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 Nomination Committee has a formal assessment in place to assess the effectiveness of the Board as a whole, the performance of its Committees and the contribution of each individual Director on an annual basis. The evaluation process is led by the Chairman of the Nomination Committee and supported by the Company Secretaries. All assessments and evaluations carried out by the Nomination Committee are properly documented. The board effectiveness evaluation ("BEE") exercise shall be facilitated by a professional, experienced and independent expert every three (3) years.</p> <p>The Company had in November 2022 engaged Boardroom.com Sdn Bhd ("Boardroom.com") to conduct an objective, professional and candid BEE for assessment year 2022. Boardroom.com has no other connection with the Group.</p> <p>The 2022 BEE exercise was carried out by Boardroom.com through directors' written self-assessment questionnaires, which are tailored-made and premised on qualitative and quantitative criteria.</p> <p>The assessment criteria are benchmarked against good governance practices prescribed by the regulators and best practices. Private interviews with selected Directors and reviews of the minutes of meetings held during the year 2022 were conducted to corroborate the assessment findings. Boardroom.com also benchmarked the works carried out by the Board and its Committees during the year under review against its duties and responsibilities set out the Board Charter, the Terms of Reference of each Committee and other internal policy documents.</p> <p>The assessments on the Board, its Committees and individual directors including Independent Directors are based on specific criteria covering amongst others, the following areas: -</p>

	<ul style="list-style-type: none"> (a) Board composition, including skills and diversity; (b) Director's independence in accordance with the Main Market Listing Requirements and Malaysian Code on Corporate Governance; (c) Efficiencies and effectiveness of board leadership; (d) Improving meetings and information processes; (e) Committees' responsibilities and effectiveness; (f) Specific issues or concerns facing the Company and/or industry; (g) Enhancement of governance guidelines; (h) Sustainability Leadership; (i) Director's fit and proper; (j) Key improvements of the identified areas under the scope of Board Effectiveness Evaluation of the Company; and (k) Remuneration of Non-Executive Directors. <p>The results of the BEE exercise were tabled to the Nomination Committee in March 2023. As assessed by Boardroom.com, the identified key areas of improvement are as follows: -</p> <ul style="list-style-type: none"> (1) Strategy and business development, which include ESG (Environmental, Social and Governance) and Sustainability strategies discussions in Board Meetings; (2) Human Capital Development and Succession Management discussions in Board Meetings; (3) Achieve a greater diversity of the Board in terms of tenure and gender; (4) Appointment of additional Independent Directors to the Company; and (5) Enhancement to the training needs analysis of Directors. <p>Based on the assessments conducted for the financial year 2022, the Nomination Committee is satisfied with the contribution and performance of each individual directors, the Board as a whole and the Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.</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 7.1

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>Since December 2017, the Board had put in place a Remuneration Policy with guides the Group in formulating a fair and competitive remuneration needed to attract, retain, motivate and reward its Directors and Senior Management of high quality to manage the businesses of the Magnum Group successfully.</p> <p>The Executive Directors' and Senior Management's remunerations are linked to the corporate and individual performance. The Executive Directors of the Company who are also employees within the Group are remunerated separately in accordance with their employment contracts.</p> <p>All the Non-Executive Directors, except for a Non-Executive Directors who has waived his entitlements on his own accord, receive a standard fixed fee approved by shareholders at the Annual General Meeting.</p> <p>The directors' fees payable to the Non-Executive Directors are endorsed by the Board based on the recommendation of the Remuneration Committee and are tabled for approval by shareholders at the Annual General Meeting of the Company. Each individual Director abstains from the Board's decision on her/her own remuneration package.</p> <p>The quantum of the fixed fee takes into consideration the Directors' increased fiduciary duties and the level of responsibilities under the relevant regulatory requirements. Additional allowances are also paid to Independent Non-Executive Directors in accordance with the number of meetings attended during the year.</p> <p>This remuneration policy is subject to regular review by the Board through its Remuneration Committee and will be</p>

	<p>amended as appropriate to reflect the current best practices. The Remuneration Committee has last reviewed the policy in November 2022.</p> <p>The Remuneration Policy is available on the Company's website at www.magnum.my.</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 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a Remuneration Committee which consists exclusively of Non-Executive Directors, the majority of whom are Independent. During the financial year 2022, the members of the Remuneration Committee were:</p> <ul style="list-style-type: none">• Tan Sri Dato' Surin Upatkoorn* (Chairman / Non-Independent Non-Executive Director)• Dato' Seri Lim Tiong Chin (Member / Independent Non-Executive Director)• Jean Francine Goonting (Member / Independent Non-Executive Director) <p>Note: *Tan Sri Dato' Surin Upatkoorn, who is the Chairman of the Board, had in March 2023 relinquished his positions as the Chairman and member of the Remuneration Committee. Since March 2023, he no longer sits in any Board Committees. His vacancy of office was filled by the newly appointed Independent Director, Ng Siew Hong, who was appointed as a member of the Remuneration Committee in March 2023.</p> <p>The principal responsibilities of the Remuneration Committee include the formulation of a fair remuneration policy such as rewards and benefits and other terms of employment of the Executive Directors as well as for the Key Senior Management.</p> <p>The Remuneration Committee reviews and ensures that the remuneration fairly reflects the responsibilities, the expertise required by the Group and the complexity of its operations. The said remuneration should also be in line with the business strategy and long-term objectives of the Group.</p> <p>The Remuneration Committee held two formal meetings during the year 2022, once in March and another in November 2022, with full attendance by its members in office.</p>

	The Terms of Reference of the Remuneration Committee which spell out its authority and duties are available on the Company's website www.magnum.my .	
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	:	The Company had disclosed on named basis the remuneration of individual directors, who were in office during 2022, in its 2022 Integrated Annual Report under the Corporate Governance Overview Statement (page 72). The breakdown of remuneration of individual directors includes fees, salary, bonus, benefit-in-kind and other emoluments.

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	Tan Sri Dato' Surin Upatkoon	Non-Executive Non-Independent Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	50.0	Nil	Nil	Nil	Nil	Nil	50.0
2	Dato' Lawrence Lim Swee Lin	Executive Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	55.0	Nil	1,248.0	367.0	25.6	Nil	1,695.6
3	Krian Upatkoon	Executive Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil	5.0	Nil	865.2	225.9	Nil	Nil	1,096.1
4	Datuk Vijeyaratnam a/I V. Thamoatham Pillay	Non-Executive Non-Independent Director	95.0	Nil	Nil	Nil	32.9	Nil	127.9	95.0	Nil	Nil	Nil	32.9	Nil	127.9
5	Dato' Seri Lim Tiong Chin	Independent Director	95.0	7.5	Nil	Nil	Nil	Nil	102.5	95.0	7.5	Nil	Nil	Nil	Nil	102.5
6	Jean Francine Goonting	Independent Director	95.0	7.5	Nil	Nil	Nil	Nil	102.5	95.0	7.5	Nil	Nil	Nil	Nil	102.5

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 Remuneration Committee and the Board are of the view that:</p> <ul style="list-style-type: none">(i) the disclosures of key management personnel's remuneration, which include the top five senior management's remuneration, in the Audited Financial Statement is adequate as it complies with the requirement of Paragraph 17 of the MFRS 124 – Related Party Disclosures; and(ii) the disclosures of senior management's remuneration on a named basis in not to the Group's advantage and will be detrimental to its commercial interest due to the small niche industry where the gaming specific talent pool is very limited especially at the senior levels of management. <p>The detailed remuneration of two Senior Management who are also Executive Directors have been disclosed in the 2022 Integrated Annual Report.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	In line with the explanation above, the Board decided not to disclose but will review its policy on non-disclosure of senior management's remuneration every 3 years.	
Timeframe	:	Others	Not disclosing

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Audit Committee ("GAC") is chaired by Dato' Seri Lim Tiong Chin, and Independent Non-Executive Director. He is not the Chairman of the board.</p> <p>The Group's financial reporting and internal control system are reviewed by the GAC which comprises three Non-Executive Directors with a majority of two Independent Directors. All GAC members are financially, literate and have sufficient understanding of the Group's businesses.</p> <p>The GAC operates within its Terms of Reference which clearly define its functions and authority. The Terms of Reference of the GAC are available on the Company's website at www.magnum.my.</p> <p>The GAC formally met five times during 2022 and always before the Board Meetings to ensure that all critical issues highlighted by the internal and external auditors, if any, can be brought to the attention of the Board Meeting for notation and action, where appropriate.</p> <p>A summary of the activities of the GAC in the discharge of its functions and duties including how it has met its responsibilities for the financial year 2022 are set out in the Group Audit Committee Report in the 2022 Integrated Annual Report.</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	:	The policy, on the observation of a cooling-off period of at least three years for a former audit partner prior to the appointment as a member of the Group Audit Committee ("GAC"), is embedded in the Terms of Reference ("TOR") of the GAC. The TOR of the GAC is available on the Company's website at www.magnum.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application :	Applied
Explanation on application of the practice :	<p>The Group Audit Committee ("GAC") is tasked with the authority from the Board to review any matters concerning the appointment and re-appointment, audit fee, resignation or dismissal of external auditors, Ernst & Young PLT ("EY").</p> <p>Though the declaration of independence, integrity and objectivity made by the external auditors in their status audit report for each financial year end would suffice to serve as a written assurance from the external auditors on their independence and integrity, the GAC ensures that the independence and objectivity of the external auditors are not compromised by conducting annual assessment to review and monitor the suitability and independence of the external auditors. The assessment task forms part of the GAC's functions as set out in its Terms of Reference.</p> <p>Every first quarter of the year and before the Company's annual general meeting where the external auditors will retire unless re-appointed, the GAC will conduct a review of the performance of the external auditors including assessment of their independence, objectivity and effectiveness, having regard to several factors including the qualification, experience and technical knowledge of the engagement partner and audit staff, the resources of the audit firm, their quality control processes and the level of non-audit services.</p> <p>Based on the results of the 2022 evaluation, the GAC is of the view that the provision of non-audit services by the external auditors did not impair the objectivity, judgement and independence of the external auditors.</p> <p>The GAC is satisfied with the external auditors' technical competency, audit independence and performance including the reasonableness of fees for the financial year 2022. Accordingly, the GAC had recommended the re-appointment of the external auditors for the ensuing financial year.</p>
Explanation for departure :	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied									
Explanation on application of the practice	:	<p>All Group Audit Committee members are financially literate and have sufficient understanding of the Group's businesses. Two of the members namely, Datuk Vijeyaratnam a/l V. Thamotharam Pillay and Dato' Seri Lim Tiong Chin are fellow members of the Institute of Chartered Accountants in England and Wales and members of the Malaysian Institute of Accountants.</p> <p>The Group Audit Committee is mindful of the need to continuously undertake professional development training to keep themselves abreast with the developments of the relevant accounting and auditing standards, practices and rules.</p> <p>The training programmes attended by the Group Audit Committee members during the year 2022 are tabulated below:</p> <table border="1"><thead><tr><th>No.</th><th>Name</th><th>Seminar/Workshop/Training Courses attended</th></tr></thead><tbody><tr><td>1</td><td>Dato' Seri Lim Tiong Chin</td><td><ul style="list-style-type: none">9 August 2022: Advocacy Session On The Continuing Disclosure Requirements & Corporate Disclosure Policy Of Listing Requirements30 November 2022: Sustainability And Its Impact On Organisations</td></tr><tr><td>2</td><td>Datuk Vijeyaratnam a/l V. Thamotharam Pillay</td><td><ul style="list-style-type: none">30 November 2022: Sustainability And Its Impact On Organisations</td></tr></tbody></table>	No.	Name	Seminar/Workshop/Training Courses attended	1	Dato' Seri Lim Tiong Chin	<ul style="list-style-type: none">9 August 2022: Advocacy Session On The Continuing Disclosure Requirements & Corporate Disclosure Policy Of Listing Requirements30 November 2022: Sustainability And Its Impact On Organisations	2	Datuk Vijeyaratnam a/l V. Thamotharam Pillay	<ul style="list-style-type: none">30 November 2022: Sustainability And Its Impact On Organisations
No.	Name	Seminar/Workshop/Training Courses attended									
1	Dato' Seri Lim Tiong Chin	<ul style="list-style-type: none">9 August 2022: Advocacy Session On The Continuing Disclosure Requirements & Corporate Disclosure Policy Of Listing Requirements30 November 2022: Sustainability And Its Impact On Organisations									
2	Datuk Vijeyaratnam a/l V. Thamotharam Pillay	<ul style="list-style-type: none">30 November 2022: Sustainability And Its Impact On Organisations									

	3	Jean Francine Goonting	<ul style="list-style-type: none"> • 13 September 2022: Advocacy Session On The Continuing Disclosure Requirements & Corporate Disclosure Policy Of Listing Requirements • 30 November 2022: Sustainability And Its Impact On Organisations
Explanation for departure :			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure :			
Timeframe :			

Intended Outcome

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

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

Practice 10.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board affirms its overall responsibility for the Group's system of internal controls and risk management and for reviewing the adequacy and integrity of the system.</p> <p>The Group Risk Management Committee ("GRMC") assists the Board in overseeing the risk management framework and the Group Audit Committee ("GAC") supports the Board in reviewing and monitoring the effectiveness of the system of internal controls. The system of internal controls covers governance, risk management, financial, operational, regulatory and compliance control matters.</p> <p>The Board recognises that risk management is an integral part of the Group's business objectives and is critical for the Group to achieve continued profitability and sustainable growth in shareholders' value. In pursuing these objectives, the Group has in place an enterprise risk management framework ("ERM Framework") to promote effective risk management and enhance the corporate governance assurance process.</p> <p>To further strengthen the risk management of the Group, the responsibility of risk management and controls is delegated to the appropriate levels of management within the Group, with the primary responsibility of ensuring the effective functioning of the ERM Framework. Within the framework, the Group has an established and structured process for the identification, assessment, evaluation, monitoring and communication of risks and controls at the departmental and company levels.</p> <p>Every year, there is an audit conducted by external certified WLA Auditor, DNV to assess that we continue to comply with the World Lottery Association Security Control Standard ("WLA-SCS:2020") & International Standards Organisation ("ISO27001:2013"). The scope covers the management, operations and maintenance of the information system assets and information systems of the Group's principal subsidiary, Magnum Corporation Sdn. Bhd. ("MCSB").</p> <p>Internal audits are also conducted by a competent team of personnel to ensure compliance to the WLA-SCS and ISO27001 standards.</p>

	<p>MCSB was successfully certified against the new WLA-SCS: 2020 standards in addition to being recertified against the ISO27001: 2013 standards after an external audit in November 2022. This certification is the only internationally recognised security standard for the gaming sector, demonstrating our strong commitment in enforcing best practices for constantly establishing, implementing, maintaining, and continually improving an information security management structure to effectively maintain the integrity, availability, and data confidentiality vital to secure our business operations.</p>	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

Companies 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 Board's oversight, review and monitoring of the effectiveness of its risk management and internal controls are supported by the Group Risk Management Committee ("GRMC") and the Group Audit Committee ("GAC").</p> <p>The GRMC provide oversight on risk management matters relating to the activities of the Group to ensure prudent risk management over the Group's business and operations. At its scheduled meetings in 2022, the GRMC had reviewed, appraised and assessed the efficacy of the controls and action plan taken to mitigate, monitor and manage the overall risk exposure of the Group.</p> <p>In year 2022, the adequacy of internal controls was reviewed by the GAC in relation to the audits conducted by Group Internal Audit ("GIA") during the year. Audit issues and actions taken by Management to address the issues tabled by GIA were deliberated on during the GAC meetings. Minutes of the GAC meetings which recorded these deliberations were presented to the Board.</p> <p>Internal control and risk-related matters which warranted the attention of the Board were recommended by the GAC and GRMC to the Board for its deliberation and approval, and matters or decisions made within the GAC's and GRMC's purview were escalated to the Board for its notation.</p> <p>In respect of the year ended 31 December 2022, the Board has received assurance from the Executive Directors and the Executive Vice President - Group Chief Financial Officer that the Company's internal control and risk management system are operating adequately and effectively, in all material aspects, based on the framework adopted by the Group. No significant areas of concern that might affect the financial, operational, compliance controls and risk management functions of the Group were identified.</p> <p>The Board has disclosed the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework in the Statement on Risk</p>

	Management and Internal Control which is independently verified by the external auditors, in the Company's 2022 Integrated Annual Report.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application :	Adopted
Explanation on adoption of the practice :	<p>The Board had established a Risk Management Committee for the Magnum Group, which comprises a majority of independent directors, to oversee the Group's risk management framework and policies. During the financial year under review, the members of the Group Risk Management Committee were:</p> <ul style="list-style-type: none">• Dato' Seri Lim Tiong Chin (Chairman / Independent Non-Executive Director)• Dato' Lawrence Lim Swee Lin (Member / Non-Independent Executive Director)• Jean Francine Goonting (Member / Independent Non-Executive Director) <p>The principal responsibilities of the Group Risk Management Committee include the review of the adequacy of the Group's risk management policies and framework and ensuring that adequate infrastructure, resources and systems are in place for risk management in the Group.</p> <p>The Group Risk Management Committee held two formal meetings during the year 2022, once in March and another in November 2022, with full attendance by its members in office.</p> <p>The Terms of Reference of the Group Risk Management Committee which spell out its authority and duties are available on the Company's website www.magnum.my.</p>

Intended Outcome

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

Practice 11.1

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

Application :	Applied
Explanation on application of the practice :	<p>The internal audit function of the Group is outsourced to MPH Capital Berhad's Group Internal Audit ("GIA") Department, which reports directly to the Group Audit Committee ("GAC"). As guided by the Internal Audit Charter, internal audit must be independent of the activities and processes, which it appraises to ensure it is able to perform its duties in an objective manner and provide impartial advice to the GAC.</p> <p>The internal audit function undertakes an independent assessment on the internal control system of the Group through audit engagements carried out in the financial year and provide assurance to the GAC that no material issue or major deficiency has been noted which would pose a high risk to the overall system of internal controls under review.</p> <p>In order to ensure that the responsibilities of the internal audit function were fully discharged, the GAC had reviewed the 2022 Annual Audit Plan, the adequacy of the scope, competency and resources of the internal audit function as well as the performance in undertaking its internal audit function during the financial year under review.</p> <p>During the financial year ended 31 December 2022, internal audit engagements were conducted in accordance with the Internal Audit Charter and 2022 Annual Audit Plan that were reviewed and approved by the GAC. Internal audit reports were deliberated by the GAC at GAC meetings and recommendations were duly acted upon by the Management. Follow-up reviews were conducted and reported to the GAC to ensure that all matters arising from each audit were adequately and promptly addressed by the Management.</p> <p>The summaries of activities of the internal audit function during the financial year under review are set out in Group Audit Committee Report.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure :		
Timeframe :		

Intended Outcome

Companies 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>As guided by the Internal Audit Charter, which was approved by the Group Audit Committee (“GAC”), Group Internal Audit (“GIA”) must be independent of the activities and processes, which it appraises to ensure it is able to perform its duties in an objective manner and provide impartial advice on the GAC. The internal auditors are free from any relationships or conflict of interest or undue influence of others to override professional and business judgment, which could impair their objectivity and independence. The independence of the internal audit function is derived from its direct reporting and unencumbered access to the GAC.</p> <p>The internal audit function is supported by five internal auditors, including the Head of GIA. The Head of GIA, Ms Lim Gaik Leng, is a holder of Bachelor’s Degree in Accounting from the University Putra Malaysia. She is a Chartered Accountant of the Malaysian Institute of Accountants with more than 22 years internal audit experience.</p> <p>Three out of the five internal auditors have successfully completed the ISO/IEC 27001:2013 Lead Auditor Training Course and obtained their Certificate of Achievement in August 2019 whilst, the other two internal auditors have successfully completed the ISO/IEC 27001:2013 Information Security Management System Internal Audit Training Course in September 2019.</p> <p>To ensure that the internal audits are effectively performed, GIA recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills.</p> <p>The GIA’s activities are guided by the International Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors and incorporated these standards into its audit practices. GAC is satisfied that the internal audit function is adequately resourced to perform its functions, is independent</p>

	and has appropriate standing to perform its functions effectively.	
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 continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

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

Practice 12.1

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

Application :	Applied
Explanation on application of the practice :	<p>The Board recognises the importance of timely and equal dissemination of clear, relevant and comprehensive information on major developments of the Group to shareholders and other stakeholders, which is carried out by means of various disclosures, press releases and announcements to the stock exchange, taking into consideration the legal and regulatory framework governing the release of material and price-sensitive information.</p> <p>The Group's performance is reported quarterly to the stock exchange and on a yearly basis, the Integrated Annual Report is an important channel used by the Company to provide its shareholders and other stakeholders with information on its business, financial performance and other key activities.</p> <p>The Company has, from time to time, held meetings and dialogues with investors and research or investment analysts to convey information regarding the Group's progress, performance and business strategies. Press interviews were also conducted on significant corporate developments to keep the investing community and shareholders updated on any major developments of the business of the Group.</p> <p>In addition, the Group maintains a website at www.magnum.my which is updated from time to time to provide shareholders and members of the public the current information and events relating to the Group.</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 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	:	Since 2020, the Company had embarked on its first integrated reporting based on the International Integrated Reporting Framework. The Company aims to have a clear and comprehensive report about itself, its business, strategies as well as how it creates values and share them with all its stakeholders over the near, medium and long term. The Board recognises that integrated reporting is a journey which requires cross functional effort and will continue to gradually enhance the quality of information in the disclosures to its stakeholders.
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	:	Applied	
Explanation on application of the practice	:	The notice of the 46th annual general meeting ("AGM") of the Company was dated 21 April 2022 which was at least 28 days' notice for holding the Company's AGM on 20 May 2022. The notice of the 47 th AGM of the Company will be issued on 20 April 2023 which will give shareholders at least 28 days' notice prior to holding the Company's AGM on 19 May 2023.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Since March 2018, the Board had adopted a policy that requires all directors and key senior management to attend general meetings of the Company to respond to questions raised during the Company's general meetings.</p> <p>All the Directors and the Key Senior Management had attended the Company's 46th AGM held on 20 May 2022. They were available to respond to questions raised during the said general meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	: Applied
Explanation on application of the practice	<p>In view of the guidelines issued by Securities Commission Malaysia in relation to the conduct of general meetings by listed issuers, the 46th Annual General Meeting ("AGM") of the Company held on 20 May 2022 was conducted virtually via Remote Participation and Voting ("RPV") facilities from the Broadcast Venue at the Meeting Room at 35th Floor, Menara Multi-Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur.</p> <p>The RPV facilities, which was provided by the Share Registrar and Poll Administrator, Metra Management Sdn. Bhd. ("Metra"), had enable shareholders to attend, participate, pose questions (via real time submission of typed text) and vote remotely without physically attending the meeting. The Administrative Notes of the AGM including the procedures for RPV facilities were published in the Company's website at www.magnum.my.</p> <p>The Company had sought confirmation from Metra on their cyber hygiene practices to ensure data privacy and security to prevent cyber threats. To this, Metra had confirmed that it has taken the following measures: -</p> <ul style="list-style-type: none">▪ End to end (E2EE) encryption had been provided to protect the users and meeting's contents from the exposure to data loss and security breach from malware and viruses.▪ Meeting event was password protected to only allow the shareholders/proxies to access the meeting platform and participate and vote at the meeting.▪ A robust SSL (Secure Sockets Layer) Certificate was implemented at Metra's website for a secure encrypted connection.▪ A high-quality antivirus software is in place with schedules to perform automatic scans, detect and remove malicious

	<p>virus, and protect the meeting platform from a range of online threats and security breaches.</p> <ul style="list-style-type: none"> ▪ A network firewall in place to prevent unauthorised user from accessing the Metra’s website and polling/ mailing servers. ▪ Hosting of RPV facilities on a secured cloud platform. 	
<p>Explanation for departure :</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure :</p>		
<p>Timeframe :</p>		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>During the year under review, the Company had presented its progress and performance of the Group's business as well as its long-term strategies at the 46th Annual General Meeting ("AGM") held on 20 May 2022.</p> <p>The shareholders were allowed to submit their questions and comments to the Board via email (from 21 April 2022) prior to the AGM or via the Remote Participation and Voting (RPV) facilities during live streaming of the AGM. Questions raised by the shareholders were adequately responded by the Chairman and the Senior Management before the commencement of the poll voting.</p> <p>In view that shareholders were allowed to submit questions commencing on 21 April 2022 (the notice of the virtual 46th AGM), they were given sufficient opportunity to pose their questions before and during the AGM. The Company had ensured that all the questions were answered. Questions received after the close of AGM were answered via emails.</p>
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.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The 46th AGM of the Company was conducted virtually via live streaming and online remote voting on 20 May 2022 from the broadcast venue at the Company's registered office in line with the Securities Commission Malaysia's Guidance Note on Conduct of General Meetings for Listed Issuers.</p> <p>The Company's shareholders had participated, submitted their questions (in the form of real-time submission of type-texts remotely) and voted at the 46th AGM using the Remote Participation and Voting Facilities ("RPV Facilities") provided by the Company's share registrar. Questions submitted by shareholders either in advance via emails or via the online Q&A Platform during the AGM were compiled and displayed during the Meeting. All of these questions were answered by the Board/Management during the AGM at the broadcast venue or via emails after 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 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application :	Applied
Explanation on application of the practice :	The minutes of the Company's 46th AGM was made available on the Company's website, www.magnum.my , on 4 July 2022, being no later than 30 business days after the conclusion of the meeting on 20 May 2022. All shareholders were notified in advance of such publication in the Company's Invitation to the 46th AGM dated 21 April 2022 and by the Chairman during the 46th AGM held on 20 May 2022.
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
PERSUANT 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.

Not applicable to Magnum Berhad
