

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0167
COMPANY NAME : MCLEAN TECHNOLOGIES BERHAD
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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	:	<p>The Company is spearheaded by experienced Board, which is primarily entrusted with the responsibility of charting the direction of the Group. The Board is guided by the Board Charter and assumed among others the following roles and responsibilities: -</p> <ul style="list-style-type: none">a) Formulating and reviewing the Strategic Plans and Key Policies of the Company, whilst providing effective oversight of Management's performance, risk assessment and controls over business operations to address the sustainability of the Group's business.b) Recognises the overall responsibility to maintain a sound risk management framework and internal control system and the need to articulating, implementing and reviewing the Company's internal control system. Details relating to the Company's internal control system are available in the Statement on Risk Management and Internal Control of the 2023 Annual Report. <p>The Board has established and delegated certain duties to the following Board Committees to oversee critical or major functional areas and to address matters, which require detailed review before tabling its recommendation to the Board: -</p> <ul style="list-style-type: none">a) Nominating Committee <p>To provide a formal and transparent procedures for the appointment of directors as well as annual assessment of effectiveness of individual directors, Board as a whole and Board Committees and key senior management officers.</p>

	<p>b) Remuneration Committee</p> <p>To provide a formal and transparent procedures for developing remuneration policy for directors and key senior management officers and ensuring that compensation is competitive and consistent with Company's objectives and strategy.</p> <p>c) Audit Committee</p> <p>To provide independent oversight of the Company's financial reporting and internal control system and ensure check and balances within the Company, and to ensure financial statements comply with applicable financial reporting standards.</p> <p>d) Long-Term Incentive Plan Committee</p> <p>To determine the eligibility of the person of participation of long-term incentive plan and to decide on the number of shares to be offered to eligible persons, the subscription price for the shares and such other terms in relation to the offer.</p> <p>The duties and function of the above-mentioned committees are provided in their respective Terms of Reference.</p> <p>All matters not specifically reserved to the Board and which are necessary for the day-to-day operations of the Group is delegated to Management to operate within the authorities delegated.</p> <p>The Non-executive Directors hold supporting roles to contribute their knowledge and experiences towards developing the policies and in the decision-making process. Their responsibilities as Independent Non-executive Directors include the followings: -</p> <ul style="list-style-type: none"> a) Provide and enhance the necessary independence and objectivity to the Board; b) Ensure effective checks and balances on the Board; c) To mitigate any possible conflict of interest between the policy-making process and day-to-day management of the Company; d) Constructively challenge and contribute to the development of business strategy and direction of the Company; e) Ensure that adequate systems and controls to safeguard the interest of the Company are in place. <p>A copy of the Board Charter and Terms of Reference of the respective committees are accessible in the Company's website at www.mclean.com.sg.</p>
Explanation for departure	:

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

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman is responsible for the leadership of the Group and for promoting the highest standards of integrity and probity and he leads the strategic planning at the Board level. Furthermore, the Chairman acts as facilitator at meetings of the Board to ensure that no directors, whether executive or non-executive, dominate discussion and that appropriate discussion takes place and that relevant opinions among directors are encouraged.</p> <p>The role and responsibilities of the Chairman of the Board are stipulated in the Board Charter, which is accessible in the Company’s website at www.mclean.com.sg.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>There is a clear division of responsibilities between the Executive Chairman and the Chief Executive Officer (CEO).</p> <p>On 9 July 2024, Datuk Dr. Terence Tea Yeok Kian was appointed as Executive Chairman, whereas Mr Pek Choon Lee who is the Chief Executive Officer of the Group.</p> <p>The roles and responsibilities of the Executive Chairman and Chief Executive Officer (CEO), including their functions and processes, are clearly defined in the Terms of Reference and Board Charter, available on the Company's website at www.mclean.com.sg.</p> <p>The Executive Chairman is responsible for the leadership of the Group and for promoting the highest standards of integrity and probity while in the same leading the strategic planning at the Board level. He acts as facilitator at the meetings of the Board to ensure that no directors, whether executive or non-executive, dominate the discussion, that appropriate discussion takes place and that relevant opinion among directors are forthcoming.</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	:	Applied
Explanation on application of the practice	:	Datuk Dr. Terence Tea Yeok Kian, the Executive Chairman, is not a member of the Audit Committee, Nomination Committee, or Remuneration Committee.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two suitably qualified and competent Company Secretaries. The Company Secretaries are Chartered and Licensed Secretaries under Section 235(2)(a) of the Companies Act 2016 and had obtained their Practising Certificates under Section 241 of the Companies Act 2016. The Company Secretaries are responsible for providing support and guidance to the Board on issues relating to compliance with rules and regulations and relevant laws affecting the Company as well as the best practices on governance matters.</p> <p>The Board is regularly updated and apprised by the Company Secretaries on new regulation issued by the regulatory authorities. The Company Secretaries also serve notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares.</p> <p>The Company Secretaries roles included to attend all Board Meetings and Board Committees meeting whereby during such meetings, the Company Secretaries shall ensure that all issues being deliberated with the decision and conclusion reached are accurately and properly recorded. The Company Secretaries shall also record, prepare and circulate the minutes of the meetings of the Board and the Board Committees and ensure that the minutes are kept at the registered office of the Company and readily available for inspection, if required. In addition, the Company Secretaries shall facilitate the Board in conducting the annual Board Effectiveness Assessment. Further, the Company Secretaries ensure that there are timely and appropriate information flows within and to the Board and Board Committees.</p> <p>The Company Secretaries attend relevant development and training programmes to enhance their ability in discharging their duties and responsibilities.</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 meeting materials, made up of the minutes of the previous board and committees’ meetings and board papers, are circulated at least seven (7) days prior to the meeting in accordance to the Board Charter that are made available on the Company’s website www.mclean.com.sg</p> <p>The draft copy of the minutes is circulated by the Company Secretary in a timely manner for review and the content of the minutes will be tabled for confirmation as correct records for the deliberations and decisions made during subsequent meeting and formally acknowledged by the Chairman of the Board or Board Committees.</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 demarcation of responsibilities between the board, board committees and management.

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has adopted the Board Charter on 27 February 2013 which serves as a reference point for the Board's activities and to promote the standards of corporate governance. It provides guidance for Directors and Managements on the roles and responsibilities of the Board, its CEO and Board Committees. The Board Charter is made available at the Company's website at www.mclean.com.sg.</p> <p>The Board Charter is subject to regulatory review to ensure its consistency with the Board's objectives and responsibilities, compliance of relevant laws, regulations, guidelines as well as standards of corporate governance. The Board had last reviewed its Board Charter in February 2021 and it is made available at the Company's website at www.mclean.com.sg.</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>The Board is guided by the Directors' Codes of Ethics and Conduct ("Code") in discharging its oversight role effectively. The Directors' Codes require all Directors to observe high ethical business standards, 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.</p> <p>With the new Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability for corruption which came into force on 1 June 2020, the Board had on 1 June 2020, approved and adopted a policy of Anti-bribery and Corruption Policy ("ABC Policy") to avert and combat the occurrence of bribery and corrupt practices in relation to the Group's businesses.</p> <p>The Board diligently monitors these procedures to ensure that they meet the objectives of relevant legislations and remain effective for the Group; and, if necessary, implement changes subject to the approval of the Company's Board of Directors. This policy is reviewed periodically and may be amended as it deems appropriate to ensure its relevance and effectiveness.</p> <p>A summary of the Directors' Codes of Ethics and Conduct, Whistle Blowing and ABC Policy were published on the corporate website at www.mclean.com.sg.</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 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		The Board had also formalised the Company’s Whistle Policy since 2013 whereby all employees are encouraged to disclose any malpractice or misconduct of which they become aware. Where necessary, the Audit Committee shall from time to time review the relevancy on the whistleblowing reporting of any malpractice within the Group. The details of Whistleblowing Policy can be found on the corporate website at www.mclean.com.sg .	
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 Board through oversight by the Audit Committee on the Group's sustainability management and performance affirms its overall responsibility for the integration of the recommended sustainable economic, environmental and social related key sustainability matters identified with its various stakeholders in the business strategies throughout the Group. The Board together with management takes responsibility to ensure the sustainability performance are monitored for its achievement.</p> <p>When the supervision from the Board of Directors, the Senior Management team is responsible for identifying and discussing sustainability strategies reported by the Divisional Management through the identification of the sustainable challenges, execute the sustainability initiatives, monitor and collect the related data.</p> <p>For more details, please refer to Sustainability Statement in the 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

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 Board acknowledges the contribution and support of the stakeholders are important for the realisation of the Group's long-term business sustainability and excellence. As such, the sustainability strategies engaged the key stakeholders through various communication channels to understand their expectations.</p> <p>For more details, please refer to the Sustainability Statement in Annual Report.</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	:	<p>The Board understand the sustainability issues relevant to the business operation of the Group including climate-related risks and opportunities. The appropriate actions such as education and ensuring the employees to fully comprehend with highest standards in all sustainability aspect and comply with the environmental laws and regulations are properly conducted by the Group.</p> <p>For mor details, please refer to the Sustainability Statement in 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

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	:	The performance evaluations of the Board and Senior Management in year 2024 have included the disclosure of addressing the Company's material sustainability risks and opportunities.	
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	:	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 5.1

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 NC reviews and evaluates the performance of Individual Directors, the Board as a whole and the performance of its committees on an annual basis. The evaluation comprises a Board Assessment, and Individual (Self & Peer) Assessment, Board Committee’s Assessment, and an Assessment of Independence of Independent Directors.</p> <p>The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committees and the Chairman’s roles and responsibilities. The Board has also put in place performance assessment form for each Board Committees, contribution to interaction, quality of inputs and understanding of roles.</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	:	Applied	
Explanation on application of the practice	:	<p>The Company is managed by a well-balanced Board which consists of members with a wide range of business, technical and financial backgrounds. This brings diversity and insightful depth to the company leadership and management.</p> <p>As of the date of this Report, the Board consists of four (4) members, as designated below:</p> <ul style="list-style-type: none">• one (1) Executive Chairman;• three (3) Independent Non-Executive Directors. <p>From 1 January 2024 until 9 July 2024, the Board consists of six (6) members, comprising one (1) Executive Chairman, one (1) CEO, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.</p> <p>The composition of the Board fulfils the criteria of Practice 5.2 of MCGG 2021 where half of the board comprises of Independent Directors. The composition of the Board also meets the criteria on one third (1/3) independent directorship as set out in the ACE Market Listing Requirements.</p> <p>Although the Chairman is not an Independent Non-Executive Director, the Board is of the view that there are sufficient independent views by the Directors with wide board room experience to provide the necessary check and balance.</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 5.3

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	:	<p>The NC has undertaken a review and assessment of the level of independence of the Independent Directors during FYE 2024 and is satisfied that they are able to discharge their responsibilities in an independent manner. The independence of Directors is measured based on the criteria prescribed under the AMLR of Bursa Securities, in which a director should be independent and free from any business or other relationship that could interfere with the exercise of independent judgment or the ability to act in the best interests of the Company.</p> <p>The Independent Directors have also declared their independence to the Board under the annual Board evaluation process during the FYE 2024.</p> <p>Following the amendment to AMLR of Bursa Securities, which restricts the tenure of an Independent Director to twelve (12) years. Consequent thereto, none of the Independent Directors has exceeded a cumulative term of twelve (12) years as of the date of this Statement.</p> <p>The Company do not have a policy which limits the tenure of its independent directors to nine (9) years. However, the Board takes note that the MCGG 2021 recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years unless shareholders' approval is obtained to retain such Director as an Independent Director. The Company has adopted the approach that upon completion of nine (9) years, an Independent Director may continue to serve on the Board. If the Board intends to retain the Independent Directors who have served the Company exceeding a cumulative term of nine (9) years, the Board will need to justify and seek shareholders' approval at the AGM through a two-tier voting process in accordance with the MCGG 2021.</p> <p>As of the date of this Statement, none of the Independent Directors has exceeded 9 years of tenure.</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 5.4 - 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 members of the Board are professionals with calibre and entrepreneurs equipped with industry specific knowledge and experience. This wide spectrum of skills and experience provide the strength that is needed to lead the Company to meet its objectives. The Board is of the opinion that the directors, with their different background and specializations, collectively bring with them the required expertise and experience to discharge the Board's duties and responsibilities.</p> <p>In assessing suitability of candidates to the Board and Senior Management Team, consideration will be given based on core competencies, commitment, contribution and performance of the candidates to ensure that there is a range of professional knowledge, skills, experience and diversity (including gender diversity). Understanding of the Business, the Market and the Industry in which the Group operates and the accounting, finance and legal matter.</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>The Board appoints the members through a formal and transparent selection process in which various criteria such as age, skills, experiences, expertise and etc, are taken into consideration.</p> <p>The new candidates will be considered and evaluated by the Nomination Committee before recommending to the Board for the appointment. The Board adopts a flexible approach when selecting and appointing new Directors to the Board.</p> <p>On 9 July 2024, the new appointments of Directors were made, namely Datuk Dr. Terence Tea Yeok Kian, Muhammad Radzi Bin Embong, Ms. Chuah Ai Wen, and Mr. Lee Yee Wooi appointed on 1 October 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 Company has adopted the fit and proper policy and the said policy is accessible in the Company's website at www.mclean.com.sg .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Ms Chuah Ai Wen who is an Independent Non-Executive Director of the Company.	
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 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board has not set a gender diversity target as of the reporting period.</p> <p>The Board is of the view that the appointment of Board members or management should be determined based on objective criteria, merit and with due regard for diversity in skills, experience and other qualities regardless of gender but will nevertheless consider appointing more directors of the female gender where suitable to be in line with the MCCG's target.</p> <p>The Board currently has one female director out of four board members, namely Ms Chuah Ai Wen. The Board opined that gender should not be the basis of evaluation and given the current state of the Group's business and lifecycle, it is more important to have the right mix of skills, knowledge, experience and expertise on the Board rather than to attain the threshold as stipulated in MCCG.</p> <p>The Nomination Committee evaluates and matches the criteria of the candidate, and will consider diversity, including gender, where appropriate, and recommends to the Board for appointment. In its effort to promote boardroom diversity, the Nomination Committee has taken various steps to ensure that women candidates are sought from various sources as part of its recruitment exercise.</p> <p>Nevertheless, the Board supports the initiative to include women representation on the Board to achieve a more gender-diversified Board, henceforth, the Board is on the lookout for potential women Directors and shall appoint additional women Directors as and when suitable candidates are identified. No timeframe has been set for the search concerned.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board did not set specific targets on gender diversity for the Company but endeavoured to improve the number of women directors on the Board, based on pre-determined skill sets and competencies.	
<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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee (“NC”) is required to assess the Board’s effectiveness in terms of its composition, roles and responsibilities, and whether the Board Committees have discharged their functions and duties in accordance with the terms of reference.</p> <p>The NC assesses on an annual basis the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.</p> <p>All assessments and evaluations carried out by the NC in discharging its functions have been well documented. The Board has, through the NC, conducted the following annual assessments in the FYE 2024:-</p> <ul style="list-style-type: none">a) Directors’ self-assessment;b) Evaluation of the effectiveness of the Board as a whole and Board Committees;c) Assessment of Independent Directors; andd) Review of the performance of the Audit Committee and each of its members. <p>The annual assessment of individual Directors, Board as a whole and Board Committees commences with the completion of a set of self-assessment forms detailing all assessment criteria to be completed by all Directors for evaluation by the Nomination Committee. Criteria for the self-assessment include self-ratings on the Director’s knowledge, support of the goals of the Company, time commitment, and active participation on the Board.</p> <p>Based on the assessments conducted for the FYE 2024, the Nomination Committee was satisfied with the performance of the Board as a whole, the Board Committees and each Director.</p>

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Remuneration Committee (“RC”) reviews annually and proposes subject to the approval of the Board, the remuneration scheme taking into consideration the term of the office of each Director as a member of the Board as well as Committees of the Board. The RC is guided by specific Terms of Reference, which the same has been published on the Company’s websites.</p> <p>The determination of the remuneration packages of Directors are considered and approved by the Board as a whole. Directors’ remuneration and benefits are recommended by the RC to the Board for the approval by the shareholders of the Company at AGM.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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>As of the date of this Report, the Remuneration Committee ("RC") consists of three (3) members, all of whom are non-executive directors.</p> <p>The RC reviews the remuneration package of the Directors and Senior Executives and makes recommendations on the same to the Board for approval.</p> <p>The RC considers various factors, amongst others, the compensation levels for comparable positions among other similar listed companies, their fiduciary duties, time commitments expected of them and the Group's performance.</p> <p>The Terms of Reference of the RC can be viewed at the Company's website at www.mclean.com.sg.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on named basis for the directors fees and remuneration of individual directors is as follows:

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	Dr Goh Kwee Keng (resigned on 9 July 2024)	Independent Director	25,000	-	-	-	-	-	25,000	25,000	-	-	-	-	-	25,000
2	Siti Haliza Binti Md Taib (resigned on 30 September 2024)	Independent Director	37,500	-	-	-	-	-	37,500	37,500	-	-	-	-	-	37,500
3	Yeo Seow Lai (resigned on 9 July 2024)	Independent Director	15,000	-	-	-	-	-	15,000	15,000	-	-	-	-	-	-15,000
4	Dr Danny Oh Beng Teck (resigned on 9 July 2024)	Independent Director	30,000	-	-	-	-	-	30,000	30,000	-	-	-	-	-	30,000
5	Chuah Ai Wen (appointed on 9 July 2024)	Independent Director	15,000	-	-	-	-	-	15,000	15,000	-	-	-	-	-	15,000
6	Muhammad Radzi Bin Embong (appointed on 9 July 2024)	Independent Director	15,000	-	-	-	-	-	15,000	15,000	-	-	-	-	-	15,000
7	Lee Yee Wooi (appointed on 1 October 2024)	Independent Director	7,500	-	-	-	-	-	7,500	7,500	-	-	-	-	-	7,500
8	Datuk Dr. Terence Tea Yeok Kian (appointed on 9 July 2024)	Executive Chairman	-	-	-	-	-	-	-	-	-	133,509	-	-	10,475	143,984
9	Lim Han Kiau (resigned on 31 March 2025)	Non-executive non-independence director	24,000	-	-	-	-	-	24,000	24,000	-	374,851	-	-	34,736	433,587

10	Yeo Hock Huat (resigned on 28 January 2025)	Non- Independent Non-Executive Director	24,000	-	-	-	-	-	24,000	24,000	-	405,661	-	-	34,736	464,397
11																
12																
13																
14																
15																

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 disclosure of the top five senior management personnel's names and various remuneration components (salary, bonus, benefits-in-kind, and other emoluments) would not be in the best interest of the Group due to confidentiality and security concerns. The Board is of the view that such disclosure would have an adverse effect on the Company's talent retention in the highly competitive industry.</p> <p>The disclosure of Key Management's (as defined therein) remuneration has been made in the financial statements for the financial year ended 31 December 2024.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board ensures that the remuneration of senior management is commensurate with the performance of the Company, with due consideration to attract, retain and motivate senior management to lead and run the Company successfully.
Timeframe	:	

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 Chairman of the Audit Committee ("AC") and the Chairman of the Board are held by different persons.</p> <p>The Chairman of the AC is Mr Lee Yee Wooi, who is an Independent Non-Executive Director and the Chairman of the Board is Executive Chairman.</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	:	Currently, no former audit partner is serving as a member of the Audit Committee of the Company during the financial year ended 31 December 2024.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established a transparent arrangement with the External Auditors to meet their professional requirements. From time to time, the External Auditors highlight to the AC and Board of Directors matters that require the Board's attention.</p> <p>The AC is responsible for reviewing the audit, recurring audit related and non-audit services provided by the External Auditors. The AC has explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the AC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the AC. In assessing or determining the suitability and independence of the External Auditors, the AC has taken into consideration the following:</p> <ul style="list-style-type: none"> • the adequacy of the experience and resources of the External Auditors; • the External Auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan; • the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and • whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors. <p>Every year, the AC will meet with the External Auditors without the presence of the Executive Directors and members of management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the AC are duly recorded by the Company Secretaries.</p> <p>The Board approved the AC's recommendation for the shareholders' approval to be sought at the Annual General Meeting ("AGM") on the re-appointment of Messrs TGS TW PLT as the External Auditors of the Company for the financial year ending 31 December 2025.</p>

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The present members of the Audit Committee are as follows: Chairman – Lee Yee Wooi (Independent Non-Executive Director) Member – Muhammad Radzi Bin Embong (Independent Non-Executive Director) Member – Chuah Ai Wen (Independent Non-Executive Director)

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All members of the Audit Committee are financially literate and possess a wide range of necessary skills to discharge their duties. The qualifications and experiences of the individual Audit Committee member are disclosed in the Profile of Directors of the Annual Report.</p> <p>The members of the Audit committee attend training from time to time to ensure that they are kept abreast of the latest developments in the areas of the capital markets, regulatory and corporate governance while equipping themselves with the knowhow to contribute further to the effectiveness of the Board.</p> <p>The details of the training programs attended by each member of the Audit Committee are set out in the Corporate Governance Overview Statement of the Annual Report 2024.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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 recognised its overall responsibility to maintain a sound risk management framework and internal control system and the needs in articulating, implementing and reviewing the Company's internal control system. Periodic testing of the effectiveness and efficiency of the Risk Management and Internal Control procedures and processes are conducted to ensure that the system is viable and robust. Such system covers not only financial controls but also operational and compliance controls.</p> <p>In ensuring the roles and responsibilities are clearly defined and communicated at all levels, the Board has put in place a structure Enterprise Risk Management ("ERM") framework to outlines the ERM process, key infrastructure to support the ERM implementation and also integration of risk management elements into decision making and strategic processes. The Group's ERM framework is guided by ISO31000:2018, Risk Management – Guidelines.</p> <p>The details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of Annual Report 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 Group has put in place a continuous, proactive and systematic control structure and process for identifying, evaluating and managing significant and various types of risks pertinent to the achievement of the Group's overall corporate objectives.</p> <p>AC members deliberated on the risk assessments results and presented to the Board twice a year. The risk register is maintained and updated to capture the possible root causes, existing controls in place and risk impact for the significant risk identified every half yearly. The Audit Committee shall continue to monitor the Group's ERM processes to ensure that they remain relevant to the Group's working environment.</p> <p>Based on the various procedures and controls, and the continuous ERM processes put in place, the Board is of the view that the internal control and risk management system is satisfactory and has no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year under review.</p> <p>Further information on risk management framework and internal control as disclosed in the Statement of Risk Management and Internal Control of 2024 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

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 Audit Committee is responsible to provide independence oversight of internal control and risk management function in the Group, whilst a Risk Management Team is empowered by the Board to oversee the implementation of ERM policy and framework and to ensure that appropriate infrastructure, resources and systems are put in place to support the implementation of risk management activities. The Risk Management Team, who comprises of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Group Human Resources and Risk Manager.</p> <p>The roles and responsibilities of the Ac are under its Terms of Reference with regards to risk management and internal control, which is accessible in the Company's website at www.mclean.com.sg</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 Company recognised that an internal audit function is essential to independently assess and provided assurance to the Board the adequacy and effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The internal audit function for the Group has been outsourced to an external consultant, Tricor Axcelasia Sdn. Bhd. who will perform an independent review of the Group's key processes and control system in place.</p> <p>The internal audit activities have been carried out according to the internal audit plan that was approved by the Audit Committee. The Board had via the Audit Committee evaluated the effectiveness of the outsources by reviewing the results of its works in Audit Committee meetings.</p> <p>The internal audit function shall be independent of the activities or operation it audits and reports directly to the Audit Committee. The Internal Auditors assists the Audit Committee in discharging its duties and responsibilities to provide assurance on the adequacy and effectiveness of the system of internal control by conducting independent, regular and systematic review of the internal control processes in addressing the risks identified and that established policies and procedures, applicable laws and regulations are complied with.</p> <p>The Internal Auditor presented a risk-based audit plan for the year to the Audit Committee for approval. The audit plan covered the review of the adequacy of operational and accounting controls, compliance with applicable laws and regulations, established policies and procedures as well as governance processes.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is outsourced to Tricor Axcelasia Sdn. Bhd. and the internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The number of staff deployed for the internal audit reviews ranges from 3 to 4 staffs per visit including the Engagement Partner. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia.</p> <p>The Executive Director of Tricor Axcelasia Sdn. Bhd. is Mr. Chang Ming Chew has vast professional experience for over 20 years in external and internal audit advisory, risk management, governance, financial management, business process enhancement, transformation and cost saving services. He is a Certified Internal Auditor (CIA (USA)) and Certified Information System Auditor (CISA (USA)). He holds a Certification in Risk Management Assurance (CRMA (USA)). He is a professional member of the Institute of Internal Auditors Malaysia (CMIIA) and a member of the Association of Chartered Certified Accountants (ACCA (UK)). Besides that, he is also Chartered Accountant, Member of Malaysian Institute of Accountants (MIA).</p> <p>The cost incurred for the internal audit function for the financial year under review was RM44,000. In this respect, the Board through the Audit Committee receives and reviews reports on internal control from its internal audit function.</p> <p>The outsources professional services firm reports directly to the Audit Committee, and their internal audit is conducted using a risk-based approach and guide by the International Professional Practice Framework (IPPF).</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 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company acknowledges the importance of transparent, timely and equal dissemination of quality material information to shareholders, investors and public at large. As such, the Board observed the Corporate Disclosure Guide issued by Bursa Securities as well as adhering to the disclosure requirements of the ACE Market Listing Requirements which can be viewed from Bursa Securities' website at www.bursamalaysia.com</p> <p>The Company also provided all relevant corporate information at its website, www.mclean.com.sg and it is accessible by the public. The Company's website includes all announcements made by the Company, Annual Reports and Group Financial Highlights.</p> <p>The stakeholders also able to direct queries to the designated Company's email address, investors@mclean.com.sg</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	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The noticed period given for the meeting is more than the 28 days period as set out in MCGG 2021.</p> <p>The shareholders will have sufficient preparation time to make informed voting decisions at AGM. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at this AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at https://tiah.online.</p> <p>The appointment of proxy or power of attorney or in the case of corporation, to appoint a duly authorised representative to participate in his/her place by submitting hardcopy or by electronic means via TIH Online website as well.</p> <p>The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper.</p> <p>The Notice of AGM includes the following: -</p> <ul style="list-style-type: none"> - Place, date and time of the meeting - Resolutions that are tabled for approval and explanatory notes and information on the agenda items to be approved <p>Notes on the voting rights and procedures for shareholders to exercise their rights to appoint proxy in relation to 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 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 14th Annual General Meeting ("AGM") of the Company would be conducted entirely through live streaming from the broadcast venue.</p> <p>All Directors including the Senior Management and Company Secretaries shall attend the AGM of the Company through video conference during the live broadcast. The Chairman of the Board, Audit, Nominating, Remuneration and other committees will provide meaningful responses to questions addressed to them at the general meeting so that the effective communication between the Board and the shareholders shall be established.</p> <p>Adequate time will be given during the General Meetings to encourage and allow the shareholders to seek clarification or ask questions on relevant matters. For ease of communication, the shareholders may submit questions for the Board in advance of the 14th AGM via Tricor's TIH Online website at https://tiih.online no later than Thursday, 30 May 2024 at 10.00 a.m. The Board will endeavour to answer the questions received at the AGM.</p> <p>The external auditors shall also be present at the AGM to provide professional and independent clarification on issues and concerns raised by the shareholders during the meeting remotely.</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>The 14th Annual General Meeting of Mclean Technologies Berhad will be conducted entirely through live streaming from broadcast venue at Tricor Leadership Room, Level 30, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, W.P. Kuala Lumpur on Thursday, 30 May 2024 at 10.00 a.m.</p> <p>Shareholders who are unable to attend the remote General Meetings, may appoint their proxies to attend and vote on their behalf. The appointment of proxy(ies) can be made electronically via Share Registrars’ website, TIIH Online at https://tiih.online . This electronic voting option allows real time appointment of proxy(ies) without discerning those shareholders in remote locations and from other countries.</p> <p>These method of leveraging of technology will encourage robust shareholders’ participation without discerning those shareholders in remote locations and from other countries</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	<p>During the Annual General Meetings ("AGMs"), the shareholders are encouraged to raise questions and seek clarification on the business activities of the group, agenda of the meetings and its proposed resolutions that were provided at least 28 days prior to the meeting.</p> <p>To encourage shareholders' participation at Annual General Meeting, the Company allows a shareholder to appoint a proxy to represent him/her to attend to AGM and no qualification of proxy is imposed.</p> <p>Adequate time is given during Annual General Meeting to encourage and allow the shareholders to seek clarification or ask questions on pertinent and relevant matters and all the questions would receive a meaningful response.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 14th AGM was conducted in the manner of fully virtual mode through live streaming from the Broadcast Venue. The issuance of the Administrative Guide was notified to the shareholders and published on the Company's website for the stakeholders' reference prior to the meeting.</p> <p>The attendance at the meeting via RPV facilities are accessible and available on Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH") Online website at http://tiih.online. Upon logging into the RPV facilities, shareholders are allowed to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at 14th AGM.</p> <p>In addition, the shareholders were allowed to submit the questions in advance of the AGM and during the meeting, any question posted for the Chairman and Board would be transmitted via query box in the RPV facilities. Should there be any question unattended due to the time constraint, the response would be emailed to the shareholders after the 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	:		
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Intended Outcome

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

Practice 13.6

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 publication of Key Matters discussed in 14th AGM is made available on the Company's website at www.mclean.com.sg no later than 30 business days after the general meeting. The Key Summary Matters should entail concise yet comprehensive recording of the general meeting detailing proceedings and issues raised by shareholders and the responses by the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

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

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

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