

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0167
COMPANY NAME : Mclean Technologies Berhad
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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.</p> <p>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 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.b) Remuneration Committee To provide a formal and transparent procedures for developing remuneration policy for directors and key senior management

	<p>officers and ensuring that compensation is competitive and consistent with Company's objectives and strategy.</p> <p>c) Audit Committee 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 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>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

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	:	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. 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	
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>There is clear division of responsibilities between the Executive Chairman of the Board and the Chief Executive Officer ("CEO"). Mr Yeo Hock Hut is the Executive Chairman whereas Mr. Lim Han Kiau is the Company's CEO. Both are the Executive Directors of the Company.</p> <p>The roles and responsibilities, which include the function and the processes of the Executive Chairman and Chief Executive Officer ("CEO") are clearly set out in the Terms of Reference and Board Charter, which are made available in 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> <p>The CEO on the other hand, are responsible for making and implementing the policies laid down, operational and corporate decisions as well as developing, coordinating and implementing business and corporate strategies.</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	: The Chairman of the Board, Mr. Yeo Hock Huat is an Executive Director and not a member of Audit Committee, Nominating Committee and Remuneration Committee. He participates in all these committee's meetings by way of invitation. The Executive Director concerned would abstain from discussion and decision especially in his own remuneration package. The Board believes that the independence element and impartial judgement in Audit Committee, Nominating Committee and particularly in Remuneration Committee will not be impaired by inclusion of the Chairman of the Board as the invitee.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

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	:	

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 1.6

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. 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	:	
<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

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

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	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. For mor details, please refer to the Sustainability Statement in 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

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 2023 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> <p>The results of the assessment would form the basis of the NC's recommendation to the Board for the re-election of Directors at the next forthcoming AGM.</p> <p>The NC also undertakes yearly evaluation of the performance of the Finance Director / Chief Financial Officer ("CFO") whose remuneration is directly linked to the performance based on his score sheet. For this purpose, the performance evaluation of the CFO for year 2023 has been reviewed by the NC.</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 5.2

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 Board comprises 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. The composition of the Board fulfils the criteria of Practice 5.2 of MCCG 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	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board would seek shareholders' approval at the AGM if an Independent Director who has served in that capacity for more than nine (9) years shall remain as an Independent Directors.</p> <p>The NC will assess the independence of the Independent Director based on the assessment criteria developed by the NC and recommended to the Board for recommendation to shareholders for approval. Justification for the Board's recommendation would be provided to shareholders, where applicable.</p> <p>Based on the evaluation on the assessment of Independence of Independent Directors conducted for FYE 31 December 2023, the Board and Nominating Committee were of the opinion that Dr. Danny Oh Beng Teck ("Dr. Danny"), Dr. Goh Kwee Keng ("Dr. Goh") and Ms. Siti Haliza Binti Md. Taib ("Ms. Siti") to continue to act as Independent Directors of the Company based on the following justifications:</p> <ul style="list-style-type: none">(i) These Directors fulfilled the criteria as an Independent Director pursuant to ACE Market Listing Requirements of Bursa Securities;(ii) They have good and through understanding of the Company's business operation due to long tenures with the Company and exposures in various industries;(iii) They have neither impaired nor comprised their independent judgement and continue to provide invaluable feedback/ check and balance including to challenge management on matters which they believe to be not in the best interest of the Group;(iv) They are able to participate in deliberations and decision making of the Board and Board Committees in objective manner;(v) They do not have any interest over the Group's business dealing; and(vi) They have devoted adequate time, commitment and due care in all undertakings of the Group and have carried out

	<p>their fiduciary duties in the interest of the Company and shareholders.</p> <p>Based on the above justifications, the Board recommends and supports the continuity of the office of Dr. Danny, Dr. Goh and Ms. Siti as Independent Directors of the Company. The continuity of office of Dr. Danny, Dr. Goh and Ms. Siti as Independent Directors to the Company will be subjected to shareholders' approval in the coming 14th Annual 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

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	:	The Board views that the diversity of the Board's composition is important to facilitate decision making process by harnessing different insights and perspectives. Nominating Committee ("NC") was established on 10 November 2010 comprised exclusively of Non-Executive Directors. The NC is primarily responsible for the identification of desired mix of expertise, competencies and experiences for an effective Board and the assessment of the performance of the members of the Board. For more details, please refer to Corporate Governance Overview Statement in 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

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 Nominating Committee ("NC") is responsible for identifying and recommending suitable candidates for Board membership through a transparent and rigorous process. All nominations of candidates for the positions of directors and CEO must be submitted to the NC for consideration. The NC shall assess the candidates based on the Board for approval.</p> <p>The NC has liberty to rely on external opinions and services for such recommendations. The Board will have ultimate responsibility and final decision on such appointment. Notwithstanding the skills and experiences of each candidate, the NC takes into consideration the following factors for the purposes of the appointment: -</p> <ul style="list-style-type: none">(i) The candidate's general understanding of the Group's business;(ii) The candidate's integrity, professionalism, qualification, time commitment, experience and background;(iii) Other factors that promote diversify in age, gender and experience; and(iv) In the case of candidates for the position of Independent Non-Executive Directors, whether such candidate has met the requirements for independence as defined in the Listing Requirements of Bursa Malaysia Securities Berhad. <p>Upon deciding on their selection(s), the NC will contact those identified candidates to ascertain the candidate's interest in serving the Company. The above process will ensure that prospective Board member(s) have clarity on the nominating process as well as Director/ Board profiles, roles and responsibilities, expectations of time commitments and other criteria as required.</p> <p>As part of the appointment/ selection process, the potential candidate must disclose his existing directorships as well as any other commitments as to determine whether he has adequate time to perform his duties.</p>

	The recruitment process concludes with an induction programme for a newly appointed director. The induction programme shall allow the newly appointed director to understand the Company's vision and mission, the nature of the business, the corporate strategy and business plan, current issues affecting the Group and the expectations of the Company concerning input from directors.	
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 NC is chaired by the Senior Independent Non-Executive Director, Dr. Danny Oh Beng Teck.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board comprises two (2) women Directors out of six (6) Directors, constituting 33.33% women Directors of the Board's composition.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Board Charter was revised on 23 February 2021 to specify that Group is endeavour to meet the target of at least 30% women directors. The Board through its Nominating Committee will take steps to ensure that women candidates are sought as part of the recruitment exercise considering their level of experience and skill set as well as other qualities. Presently, there is two (2) female Directors on Board, which represents 33.33% of the Board's composition. The gender diversify policy will be established to ensure that due consideration is given to female candidates as directors and/or Board Committee members and to facilitate achievement of such policies and targets.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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 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, an 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 had also put in place performance assessment form for each Board Committees, contribution to interaction, quality of inputs and understanding of rules.</p> <p>The results of the assessment would form the basis of the NC’s recommendation to the Board for the re-election of Directors at the next forthcoming AGM.</p> <p>The NC also undertakes yearly evaluation of the performance of the Finance Director/ Chief Financial Officer (“CFO”) whose remuneration is directly linked to the performance based on his score sheet. For this purpose, the performance evaluation of the CFO for year 2023 has been reviewed by the NC.</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>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	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	The RC was established on 10 November 2010. The RC is chaired by the Senior Independent Non-Executive Director, Dr. Danny Oh Beng Teck. The RC is guided by specific Terms of Reference, which the same has been published on 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

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 remuneration of individual directors with breakdown of fees, salaries, bonus, incentive, EPF contribution and benefit-in-kind were disclosed on a name basis in the Corporate Governance Overview Statement in the Annual Report 2023.

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board has chosen to disclose the Senior Management staff's remuneration in bands instead of named basis as the Board was of the view that such disclosure would not be beneficial as it would be potential to increase the competitive nature of the human resources market and to support the Group's effort to attract and retain executive.
		The Board ensures that the remuneration of the Senior Management is commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Senior Management to lead and run the Company successfully.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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	:	Dr. Danny Oh Beng Teck, the Chairman of the Audit Committee ("AC") of the Company is not the Chairman of the Board. Mr. Yeo Hock Huat is the Chairman of the Board.	
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 Board Charter was revised on 23 February 2021 for the inclusion of the requirement for a former officer including the key audit partner of external auditors to observe cooling-off period of at least three (3) years before being appointed as Independent Director of the Company. None of the members of the AC were former key audit partners.	
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 Audit Committee ("AC") is responsible for reviewing the External Auditors ("EA"). The AC assesses the suitability and independence of the EA on an annual basis. Assessment of the areas include amongst others:</p> <ul style="list-style-type: none">(a) Calibre of External Audit Firm;(b) Quality Processes / Performance;(c) Audit Team;(d) Objectivity and independence;(e) Audit Scope and Planning;(f) Audit Fees; and(g) Audit Communications <p>The AC has met with the External Auditors for the period of financial year end 31 December 2023 in the absence of Management.</p> <p>The EA have confirmed to the AC that they are and have been independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The AC has evaluated the performance of the EA and made recommendation to the Board on their re-appointment and audit fees.</p> <p>The Board noted that the EA had expressed their willingness to continue in office for the ensuring year and having reviewed the sustainability and independence of the EA, the Board recommends the re-appointment of the External Auditors to the Shareholders at the forthcoming 14th Annual General Meeting.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - 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	:	The Chairman and members of the AC are financially literate and have carried out their duties and responsibilities in accordance with the Terms of Reference of the Audit Committee. Two (2) of the Audit Committee members, Dr. Goh Kwee Keng and Ms. Siti Haliza Binti Md. Taib, is also a member of the Malaysian Institute of Accountants.	
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 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 2023.</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 2023 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 AC comprises solely of Independent Directors and is chaired by Dr. Danny Oh Beng Teck, a Senior Independent Non-Executive Director.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Group does not fall within the definition of large companies under MCGG 2021.	
		Company shall endeavour to adopt integrated reporting should the Company have better positioning in other countries or when the Company is categorised as large companies.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

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 MCCG 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 TIIH Online website at https://tiih.online. 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 TIIH 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 TIIH Online website at https://tiah.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>The Full Virtual Meeting (“FVM”) will be carried out in the manner as guided by the Securities Commission Malaysia Guidance on the Conduct of General Meetings for Listed Issuers dated 13 January 2021. Pursuant to SC Guidance and Section 327(2) of the Companies Act, 2016. The Chairman shall be present at the Broadcast venue and the shareholders shall not be physically present at the broadcast venue on the day of the AGM. However, shareholders shall register their attendance for the AGM remotely by using RPV facilities. The procedures for registration are set out in Administrative Guide of the 2023 Annual Report.</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 due the movement restrictions during the MCO period.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.4

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 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.

<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 last 13th 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 13th AGM. 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> <p>The Board would continue to hold fully virtual meeting during forthcoming 14th Annual General Meeting, depending on the pandemic situation and authorities updates or regulations. Therefore, the Board look forward to ensure the smooth broadcast of the general meeting and adequate time is given during general meeting to encourage and allow the shareholders to seek clarification or ask questions on relevant matters. Questions posed by shareholders would be visible to all meeting participants during the meeting itself.</p>
Explanation for departure	:

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.6

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 14 th 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.

Not Applicable
