

CORPORATE GOVERNANCE REPORT

STOCK CODE : 4634
COMPANY NAME : Pos Malaysia Berhad
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

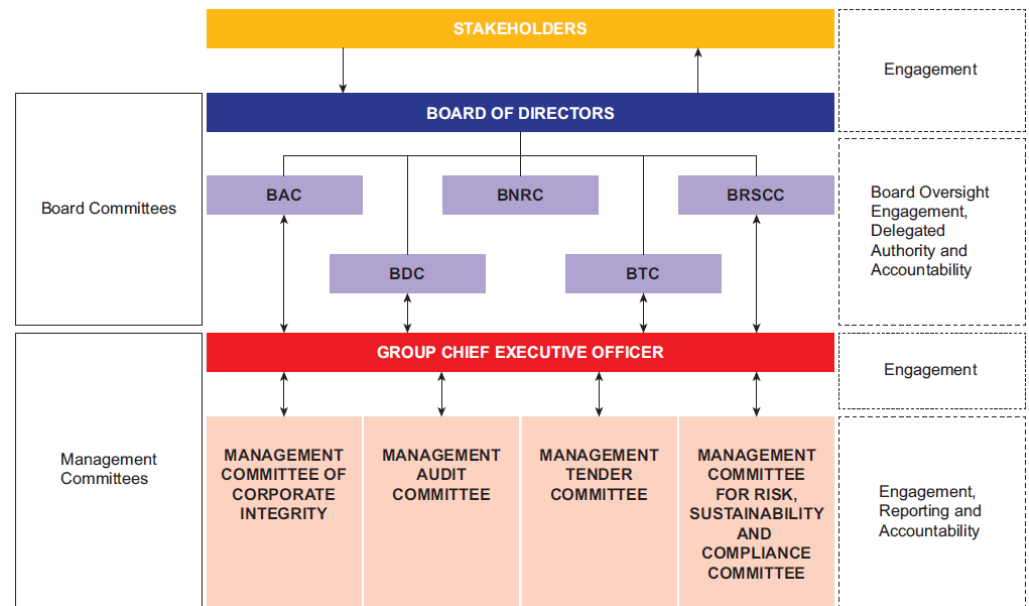
Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

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

Application :	Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") of Pos Malaysia Berhad ("the Company" or "Pos Malaysia") is responsible for the stewardship of the Company and its subsidiary companies ("Group") and is entrusted with leading and overseeing the business of the Group, conduct and affairs to create sustainable value for the benefit of its shareholders.</p> <p>The Board is also committed to uphold high standards of corporate governance and believes that strong corporate practices are fundamental to the smooth, effective and transparent operations of the Company, protect the rights of stakeholders and enhance shareholder value.</p> <p>The duties, powers and functions of the Board are governed by the Constitution of the Company, the Companies Act 2016 ("CA 2016"), the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), Capital Markets and Services Act 2007, the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and other regulatory guidelines and requirements that are in force.</p> <p>In discharging its duties and roles effectively, the Board is guided by the Board Charter and adopts any best practices recommendations that set out the principles and guidelines to be applied by the Board.</p> <p>The Board is also assisted by its Board Committees namely, the Board Audit Committee ("BAC"), Board Nomination and Remuneration Committee ("BNRC"), Board Risk, Sustainability and Compliance Committee ("BRSCC"), Board Digital-First Committee ("BDC") and Board Tender Committee ("BTC"), and the Management Committees to properly and effectively discharge its functions and responsibilities, including oversight of group financial and non-financial performance, business strategy and priorities, risk management including material sustainability risks, and corporate governance policies and practices.</p> <p>The Board empowers its Committees to examine specific matters within their respective Terms of Reference ("TOR") as approved by the Board.</p>

The Board has established a Corporate Governance Framework (“CG Framework”) for the Group, whereby specific powers of the Board are delegated to the respective Board Committees, Group Chief Executive Officer (“GCEO”) and Management, as depicted below:



The Group’s CG Framework reflects the way strategic and operational activities are managed, which is a clear indication that although the roles may be distinctly different but they are complementary in attaining the Group’s core objectives.

CG framework is supported by, amongst others, the Company’s Limits of Authority (“LOA”) and Management Delegated Authority, which set out the respective authority limits including those reserved for the Board’s approval and those which the Board may delegate to the Board Committees, GCEO, Management Committees and Management.

The Company formulates strategies to optimise the Group’s performance, both locally and regionally, at the consolidated level, while the core businesses retain the necessary autonomy to conduct their own operations, thus enabling the Board to take a broader perspective on issues affecting the Group, such as overall strategy, risk management and governance level.

In view of the diversity of the Group’s businesses, the Boards at the subsidiary level provide the appropriate level of dedicated oversight and focus on the core businesses of the respective divisions. Each Subsidiary’s Board has representatives from the Management, to ensure clear, unambiguous over-sight and to exercise a reasonable degree of supervision and control within the Group.

The Board’s roles and responsibilities in discharging its leadership function and fiduciary duties towards meeting the goals and objectives of the Group, amongst others, are as follows:

1. Ensures that the Group’s objectives are clearly established and that strategic plans are in place to achieve these objectives.

	<ol style="list-style-type: none"> 2. Establishes policies to strengthen the Group's performance and ensures that the Management proactively seeks to build the business through innovation, technology, new products and development of business capital. 3. Adopts performance measures to monitor the implementation and performance of the Group's objectives, strategies, action plans and policies. 4. Ensures that the Group adheres to high standards of ethics and corporate behaviour, including transparency in the conduct of business. 5. Oversees the conduct of the Group's business and evaluates whether the business is being properly managed, including the Company's ability to meet its contractual obligations. 6. Ensures that appropriate public relations and communications programmes, and investor relations programmes are in place. <p>The Board acknowledges the importance of the following:</p> <ol style="list-style-type: none"> 1. A sound system of internal control and a robust risk management practice for good corporate governance with the objectives of safeguarding the shareholders' investment and the Group's assets. For this purpose, the Board has adopted a Risk Management Governance Framework and a Risk Management Policy. 2. The need to safeguard and minimise the impact on the environment in the course of achieving the Group's objectives. The Board's agenda reflects the commitment to economic support for longer-term sustainability focusing on the positive impact on the environment, community and society. 3. The need for effective Investor Relations and Communications with shareholders and to provide them with all relevant information affecting the Group. <p>The Group's strategic plans and priorities, as well as the Environmental, Social and Governance ("ESG") initiatives were discussed and showcased at the Board Retreat held in October 2022.</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 roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter, which is available on Pos Malaysia's website at www.pos.com.my</p> <p>The Chairman leads the Board by setting the tone at the top and managing the Board's effectiveness by focusing on strategy, governance and compliance.</p> <p>The Chairman is responsible for representing the Board to the Shareholders and is responsible for ensuring the integrity and effectiveness of the governance process of the Board. The Chairman shall maintain regular dialogues with the GCEO over all pertinent matters and shall promptly consult with the Board over any matter that gives him any cause of concern pertaining to the Group.</p> <p>The Chairman shall act as a facilitator at meetings of the Board to ensure that no Director, whether executive or non-executive, dominates discussions at Board meetings. He shall ensure that appropriate discussions take place and relevant opinions among Directors are forthcoming. The Chairman shall also ensure that discussions result in logical and understandable outcomes.</p> <p>The key roles and responsibilities of the Chairman include the following:</p> <ol style="list-style-type: none">1. Provides governance in matters requiring corporate justice and integrity;2. Manages Board communication and Board effectiveness and effective supervision over Management;3. Creates conditions for good decision-making during Board and Shareholders meetings;4. Ensures appropriate steps are taken to provide effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole;5. Ensures Board proceedings are in compliance with good conduct and practices, as well as encouraging active participation and allowing dissenting views are expressed freely;

	6. Protects the interest and provides (if permissible) the information needed of the various Stakeholders; 7. Maintains good contact and effective relationships with external parties, investing public, regulatory agencies and trade associations; 8. Ensures quality information are provided to facilitate decision-making is delivered to the Board by Management in a timely manner; and 9. Ensures compliance with all relevant regulations and legislations. In consultation with the GCEO and the Company Secretaries, setting the agenda for Board meetings and ensuring all relevant issues are on the agenda.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of the Chairman and the GCEO are held by different individuals to ensure optimal balance. The distinct and separate roles and responsibilities of the Chairman and the GCEO are provided in the Board Charter, which is available on Pos Malaysia's website at www.pos.com.my</p> <p>The position of the Chairman is held by Dato' Sri Syed Faisal Albar bin Syed A.R Albar ("Dato' Sri Syed Faisal") whereas the position of the GCEO is held by Charles Robertson Brewer ("Charles Brewer").</p> <p>The separation of authority enhances independent oversight of executive management by the Board. It helps to ensure that no one individual has unfettered powers or authority over decision-making. This clear hierarchical structure with a focused approach facilitates efficient, effective, expeditious and informed decision-making.</p> <p>The Chairman is responsible for the leadership and ensuring the integrity and effective governance process of the Board, as well as promoting high ethical standards to ensure the integrity and effectiveness of the governance process of the Board.</p> <p>The overall business and day-to-day operations of the Group are managed by the GCEO, who is not a Board member. The GCEO is accountable to the Board for the overall organisation, management and staffing of the Group and its the procedures in financial and operational matters, including conduct and discipline. The GCEO is also responsible for promoting the Company's culture and standards among the employees of the Company. The authority limits of the GCEO are stipulated in the LOA duly approved by the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
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Timeframe	:		
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Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Dato' Sri Syed Faisal, who is a Non-Independent Non-Executive Director ("NINED"), is neither a member of the Board Committees nor has participated in any of the Board Committees' meetings by way of invitation.</p> <p>This practice has been embedded explicitly in the Board Charter and TOR of the respective Board Committees which are available on Pos Malaysia's website at www.pos.com.my</p> <p>The profile of Dato' Sri Syed Faisal is available on page 63 of the Annual Report 2022.</p>
Explanation for departure	:	
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<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 qualified and competent Company Secretaries, Sabarina Laila binti Mohd Hashim ("Sabarina") and Ngian Yoke Fung ("Yoke Fung"). They are qualified to act as company secretaries under Section 235(2) of the CA 2016.</p> <p>Sabarina is licensed by the Registrar of Companies Commission of Malaysia ("CCM") and an associate member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). Meanwhile, Yoke Fung is a fellow of MAICSA.</p> <ol style="list-style-type: none">1. The Company Secretaries are responsible for developing and maintaining the processes that enable the Board to fulfil its roles, ensuring compliance with the Company's Constitution and the relevant guidelines, regulatory and statutory requirements, and advising the Board on its roles and responsibilities, all governance matters and its compliance thereof. The Company Secretaries also oversee the adherence to the Board's policies and procedures.2. The Company Secretaries manage the affairs and logistics of all the Board, Board Committees and Shareholders' meetings, attend and ensure that the deliberations at these meetings are properly documented and subsequently communicated to the relevant management for their further actions. The Company Secretaries, together with the Directors, ensure that these meetings are properly conducted according to the applicable rules and regulations. The Company Secretaries also ensure the proper upkeep of statutory registers and records of the Group.3. The Company Secretaries constantly keep themselves abreast with the latest changes and developments in corporate governance by attending relevant conferences and training programmes. They have also attended relevant continuous professional development programmes, seminars, workshops and conferences organised by Bursa Malaysia, MAICSA, Securities Commission ("SC"), CCM and other relevant training organisations.4. The Company Secretaries assist the Board in applying governance practices to meet the Board's needs and the stakeholders'

	<p>expectations, in accordance with the recommendation of the MCCG 2021 and any other relevant guidelines.</p> <p>5. The Company Secretaries assist and facilitate the Board's training and development. The Directors can exploit continuous learning opportunities through the information provided by the Company Secretaries on relevant training programmes. The records of all training programmes attended by the Directors are maintained by the Company Secretaries.</p> <p>6. All Directors have unrestricted access to the advice and services of the Company Secretaries, to enable them to discharge their duties and responsibilities as Directors effectively. The Company Secretaries ensure an effective flow of information to the Board and the Board Committees.</p> <p>7. The Company Secretaries will be a focal point for stakeholders' communication and engagement on corporate governance issues.</p> <p>The responsibilities of the Company Secretaries are clearly set out in the Board Charter.</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

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meets at least once every quarter, with additional meetings convened necessary, to review financial, operational and business performance. In the intervals between Board meetings, the Board's decisions on urgent matters are sought via circular resolutions, to which the board paper with relevant and sufficient information is provided, in order for the Board to make an informed decision.</p> <p>The Board members have been provided with a calendar of Directors' meetings in advance of the commencement of the financial year, together with particulars of other key or critical events such as the Annual General Meeting ("AGM"), to facilitate the Directors in planning ahead and incorporating the said meetings into their respective schedules.</p> <p>Notices of the meetings are normally issued at least two (2) weeks prior to the meeting date. The agenda together with the board papers are distributed to the Board at least five (5) working days before each meeting to the Directors. This will allow sufficient time for the Board members to review and evaluate the matters to be deliberated at the meetings. Occasionally, the Board meetings may be held at short notice, when decisions of a time-critical nature need to be made. Senior Management of the Group attends the Board meetings to provide thorough insights into the business and affairs of the Group. Independent Professional Advisers/Consultants, whenever necessary, are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.</p> <p>The Directors have unrestricted access to Management and to information pertaining to the Group's business affairs, including from the Company's auditors and consultants, to enable them to discharge their duties effectively.</p> <p>Pos Malaysia's digitalisation initiative has also encouraged a paperless environment for all Board and Board Committee meetings, which enables digital access to meeting materials.</p> <p>All the Board's and Board Committees' deliberations and decisions, including views of the Board and Board Committee members, decision's rationale and action items to be undertaken by the Management, are well documented in the minutes. The Board's and Board Committees' decisions and action items are also communicated to Management after</p>

	<p>each meeting, for appropriate action. The Company Secretary followed up with Management on the status of actions taken, which are tabled, as matters arising, to the Board at the next meeting.</p> <p>The draft minutes of meetings were sent to the Board members for review prior to tabling it at the subsequent meetings for confirmation. The confirmed minutes are signed by the Chairman as a correct record of the proceedings of the meeting.</p> <p>A Director who has an interest in any proposal or transaction, either direct or indirect, which is being presented to the Board for approval, will declare his or her interest and abstained from deliberation and voting on the interested proposal at the Board meeting.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a formalised Board Charter which sets out inter alia, the roles and responsibilities of the Board, Board Committees, individual Directors, Chairman, GCEO and Company Secretaries. The Board Charter aims to assist the Directors to better appreciate their roles and responsibilities, thus ensuring the long-term objectives of the Group are met.</p> <p>The Board Charter also covers the composition of the Board, procedures for convening Board meetings, Directors' remuneration and training, Board evaluation, Directors' Code of Conduct, relationship with shareholders and stakeholders and Board's reserved matters. Key matters reserved for the Board's approval include the conduct of the Board, remuneration, operational, planning and investments, financials and other matters pertaining to the Board.</p> <p>The Board Charter will be reviewed from time to time, when necessary, to keep it up to date. The Board Charter was last reviewed in November 2022, to ensure that it remains consistent with the Board's objectives, responsibilities, and all the relevant standards of corporate governance, and is updated from time to time to align with the regulatory changes.</p> <p>The Board Charter is available on Pos Malaysia's website at www.pos.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 3.1

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>Pos Malaysia's Code of Conduct and Business Ethics ("PMCCBE") provides the commitment of the Company to carry out its business in the most professional, fair and transparent manner, by avoiding self-interest and improper work ethics. PMCCBE is available on Pos Malaysia's website at www.pos.com.my.</p> <p>The salient points the PMCCBE are as follows:</p> <ol style="list-style-type: none">1. PMCCBE is based on the Company's commitment towards operating in a considerable and fair manner. The main purpose of this code is to ensure that all employees in the organisation observe the highest standards of integrity and personal ethics acting for and on behalf of the Company. Pos Malaysia does not tolerate any form of misconduct or unethical acts under any circumstances. The code is to guide employees of Pos Malaysia to achieve and maintain standards of business ethics and act professionally while performing duties at the workplace. However, the code is not a comprehensive manual that guides the employees while executing their duties. It is the responsibility of the employees to uphold and preserve the image and the reputation of the Company as well as the Company's assets through a just and consistent administrative manner and concurrently to produce disciplined, efficient and productive employees.2. All employees of the Company are to perform their duties and responsibilities in an efficient manner and skilfully as well as maintaining disciplined/ favourable conduct at all times.<ol style="list-style-type: none">a. The discipline in the Company is referred to as the obligation towards the rules and regulations to achieve the desired objective and level of productivity set by the Company.

	<p>b. Misconduct in service refers to employees' conduct or actions which contradict or are conflicting with their agreeable contract or any terms and conditions determined by the Company in a written on unwritten manner.</p> <p>3. The Company has the right to impose disciplinary actions against any employees who acted against the code of conduct, inefficient or negligent in performing their duties which are not in line with the set of rules and regulations listed in the Employment Contract, Mutual Agreement, Employees' Terms and Conditions Book, Disciplinary Procedure or any rules that had been set by the Company.</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 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Pos Malaysia has established a Whistleblowing Policy ("WB Policy") since 2008, making it clear that concerns regarding suspected fraud, corruption, illegal conduct, wrongdoings or any form of malpractice can be raised without fear of victimisation, harassment or discrimination of the employees or stakeholders who report such concerns.</p> <p>The WB Policy, amongst others, has prescribed that whistleblower may report their concerns to the BAC Chairman and/or the Head of the Internal Audit Department ("IAD"). All disclosures made under the WB Policy will be dealt with confidentially and thoroughly investigated.</p> <p>The BAC provides oversight of any investigations undertaken and its outcomes. The concern/ complaint shall be assigned to IAD (or any other party appointed by the Board) to assess, investigate and update the BAC on all follow-up actions taken, including the due process of investigation, on a quarterly basis, to ensure completeness and transparency. The WB Policy and its disclosure procedures are available to the public for reference on the Company's website at www.pos.com.my and posters are displayed in English and Malay languages at Pos Office branches to raise concerns about any wrongdoings and efforts to enhance awareness of the WB Policy. The communication on concerns can be made via:</p> <ul style="list-style-type: none">▪ Email: wb@pos.com.my▪ Mail: Head of Internal Audit, IAD, Level 5, Dayabumi Complex, 50670 Kuala Lumpur, Malaysia
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 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 the BRSCC oversees, deliberates and endorses key risks, compliance and sustainability matters within the Group.</p> <p>One of the key responsibilities of the Board of Pos Malaysia is to oversee the Group-wide integration of sustainability and set the tone from the top regarding the critical role of sustainability in the creation and protection of value for stakeholders. The Board, through the BRSCC, provides governance and oversight for the Group's sustainability-related matters and assurance to the Board, reviews and ensures sustainability efforts are aligned with the Group's long-term business and sustainability strategy.</p> <p>The Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of Pos Malaysia and its operations. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability within the Group.</p> <p>The GCEO, through the Sustainability Steering Committee ("SSC") which he chairs, assists the Board by providing overall strategic direction for sustainability-related matters, being the point of escalation to other relevant committees and/or the Board, and reviewing and endorsing initiatives including milestones, budget and timeline.</p> <p>Recently, the SSC reviewed the Governance Model of Pos Malaysia with the view of further strengthening the framework for sustainability within the organisation, having regard to the new Practices and Guidance under the MCCG 2021. Among the changes endorsed by the SSC is the establishment of a standalone sustainability department at the working level with the primary purpose of supporting the SSC by driving and leading sustainability-related initiatives within the Group.</p>
Explanation for departure	:	

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

Intended Outcome

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>Pos Malaysia's sustainability strategies, priorities and targets are developed with short, medium and long-term goals after careful reviews of the outcomes of a materiality assessment exercise. The Group, with the help of Accenture Solutions Sdn Bhd, developed a Sustainability Roadmap which details its focus areas, targets, and strategies to address them through six (6) flagship sustainability initiatives, covering an implementation period from 2022 – 2030. The roadmap targets four (4) focus areas, namely Emissions, Waste Management, Learning & Development, and Occupational Safety & Health. The Group Sustainability Department drives the respective initiative project teams which consist of relevant divisions/departments across Pos Malaysia and its subsidiaries.</p> <p>The Group's Sustainability Roadmap and respective initiative progress are communicated internally through quarterly townhalls, periodic company-wide communication blasts, and weekly GCEO updates. The same has been shared with external stakeholders via our annual report which is available on Pos Malaysia's website at www.pos.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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>In the earlier explanation of the application of Practice 4.1 of the MCCG 2021, the Board's commitment to strengthen its oversight of sustainability issues is through the establishment of a Board Committee i.e., the BRSCC.</p> <p>The BRSCC is responsible to oversee the strategic initiatives of the Group, to ensure that they support long-term value creation and sustainability goals. On sustainability governance and reporting oversight roles, the BRSCC is assisted by the SSC established at the management level. The SSC is responsible for providing an overall strategic direction for sustainability-related matters, aligned with the sustainability targets to the overall goals of the Group. It also oversees the business plans and key initiatives of Pos Malaysia having regard to economic, environmental and social considerations underpinning sustainability and is also the point of escalation and communication of sustainability risks and opportunities to the Board.</p> <p>On 13 October 2022, members of the Board and Management attended a retreat focusing on the strategic milestones set by the Group as part of its business transformation, which included a session detailing out the six (6) initiatives developed in consideration of material topics to the Group, its planned rollout schedule, and how it would address these topics.</p> <p>In addition, the Board is kept updated on sustainability matters and respective initiative progress through strategic updates by the GCEO during Board meetings.</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 company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The BRSCC’s TOR has included specific sustainability strategies or initiatives as Key Performance Indicators (“KPIs”) and Board Effectiveness Assessment (“BEA”).</p> <p>The Board had conducted BEA for the financial year ended 31 December 2022 (“FY2022”) which included the performance evaluation to address the Company’s material sustainability risks and opportunities.</p> <p>As part of the moving forward plan, Environment, Social and Governance are designated as a Mandatory KPI for 2023, not only for the Senior Management team, but also for all the staff to support the Company sustainability objectives.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>During FY2022, the Sustainability Team of Pos Malaysia was led by Amir Afham Abdullah, the covering Group Sustainability Officer, who is also the Head of Sustainability Data Management & Performance Reporting. Amir was accountable to manage the Group's sustainability initiatives strategically. He has resigned from Pos Malaysia on 10 April 2023.</p> <p>Moving forward, the Sustainability Team will be reporting to Fiona Liao Yin Peng, the Group Chief Marketing, Communications and Sustainability Officer. Together with an incoming Head of Sustainability, they will be responsible for overseeing the functioning and productivity of the Sustainability Team.</p>

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><u>Refreshing the Board Composition</u></p> <p>The TOR of the BNRC stipulates that the BNRC shall assess/review the following on an annual basis:</p> <ol style="list-style-type: none">1. The effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, as well as ensure that all assessments and evaluations carried out by the BNRC in the discharge of this function are properly documented; and2. The structure, size, balance and composition of the Board and Board Committees to ensure that the Board and Board Committees comply with the MMLR of Bursa Malaysia and have the appropriate mix of skills and experience. The BNRC shall also review the core competencies and other qualities which the members of the Board and Board Committees shall bring to the Company to function effectively and efficiently. <p>During FY2022, the BNRC had conducted the following activities:</p> <ol style="list-style-type: none">1. Reviewed the changes to the composition of the Board and Board Committees following the resignation of Directors.2. Reviewed and recommended the appointment of Directors of the subsidiary companies and Chief Level Officer, for the Board's approval.3. Reviewed and recommended the re-election and retention of Directors at the last AGM of the Company.4. Reviewed the Board composition, evaluation of the effectiveness of the Board and conducted an annual assessment of the Independence of Non-Executive Directors ("NEDs").5. Reviewed and recommended to the Board on the adoption of the Fit and Proper Policy.6. Reviewed the trainings/conferences attended by the Board in the financial year 2021 and approved the Proposed Trainings for the Directors for FY2022.7. Reviewed and recommended to the Board on the KPI for Corporate and Chief Level Officers.8. Reviewed and recommended to the Board on the amendments to the TOR of BNRC.

	<p>9. Reviewed and recommended to the Board on the change on the current compensation formula for Mutual Separation Scheme and Voluntary Separation Scheme.</p> <p>10. Reviewed and recommended to the Board on the Succession Planning for the GCEO and Chief Level Officers.</p> <p>11. Reviewed the need to appoint an Independent Consultant for the BEA for FY2022.</p> <p>In February 2023, the BNRC further recommended to the Board for approval, the proposed composition of the Board Committees subsequent to the review of the structure, size, balance, tenure and composition of the Board and Board Committees.</p> <p><u>Directors' Retirement/Re-election</u></p> <p>In accordance with the TOR of the BNRC, the BNRC is to recommend to the Board, the re-election of Directors who are retiring by rotation or casual vacancy at the Company's AGM.</p> <p>Article 116 of the Company's Constitution stipulates that "At the first AGM of the Company, the whole of the Directors shall retire from office and at every succeeding AGM, 1/3 of the Directors, or, if their number is not a multiple of three (3) , the number nearest to, but not exceeding 1/3 shall retire from office at the conclusion of the meeting provided always that all the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election."</p> <p>The schedule of retirement by rotation was reviewed by the BNRC and the Director's eligibility to stand for re-election was also being considered, taking into account their tenure of service.</p> <p>For the purpose of determining the eligibility of Directors standing for re-election at the Company's AGM, the Board through its BNRC, had assessed the retiring Directors' performance, contribution and independence via the annual BEA, taking into consideration among others, the Directors' level of contribution to the Board's deliberations through their skills, experience and strength in qualities; demonstrated objectivity in the Board's decision-making process, gave valuable feedback through sharing of knowledge and experience and acted in the best interests of the Company as well as the Directors' fitness and propriety as per the Fit and Proper Policy.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	

Timeframe	:		
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Intended Outcome

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

Practice 5.2

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>As at 31 December 2022, the Board consists of seven (7) members, comprising three (3) NINEDs and four (4) Independent Non-Executive Directors ("INEDs").</p> <p>A majority of the Board members are INEDs, to ensure a balance of power and authority on the Board.</p> <p>A self-assessment on independence was carried out by all the INEDs, using the criteria of independence prescribed under the MMLR of Bursa Malaysia. Based on the self-assessment carried out, all four (4) INEDs confirmed that they satisfied all the criteria of independence under the MMLR of Bursa Malaysia. They have completed and signed the Independent Director's Declaration, confirming their continued independence status in accordance with the requirements of MMLR of Bursa Malaysia. All INEDs are independent of management and free of any interest, position, association or other relationship that might materially influence the Independent Director's capacity to bring an independent judgement and to act in the best interest of the Group and its stakeholders.</p> <p>The Board, through the BNRC, reviewed the same and agreed that the INEDs are able to exercise independent and objective judgement in carrying out their duties as Independent Directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	As at the date of this report, none of the Independent Directors exceed a cumulative term limit of nine (9) years.	
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 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: 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 BNRC is responsible for reviewing and recommending to the Board any new appointment of Director, which is based on merit, skills and experience, with due regard to the requirements of Chapter 2, Paragraph 2.20A of the MMLR of Bursa Malaysia.</p> <p>In evaluating the suitability of individuals for the appointment of Board membership, the BNRC considers the requisite mix of skills, knowledge, expertise, experience, professionalism, competency, integrity, character, time commitment, number of directorships and composition requirements for Board and Board Committees, as a priority to ensure that there is an appropriate mix of diversity, skills, experience and expertise represented on the Board.</p> <p>In addition, the potential candidate is required to provide his/her fitness and propriety declaration in accordance with the Fit and Proper Policy of Pos Malaysia for consideration of the BNRC.</p> <p><u>Board Diversity in 2022</u></p> <p>(1) Board Size</p> <p>On 28 September 2022, the Board through its BNRC reviewed the Board and Board Committees' structure, size, composition and the status complying to the regulatory requirements, upon the resignation of Datuk Puteh Rukiah binti Abd Majid ("Datuk Puteh Rukiah") on 1 October 2022.</p> <p>In addition, on 15 February 2023, the Board through BNRC had conducted an annual review of its structure, size balance and composition of the Board and Board Committees, to determine if the Board has the right size and sufficient diversity with independence elements that fits the Company's objectives and strategic goals.</p> <p>During the FY2022, there had been several changes to the composition of the Board of Pos Malaysia, as follows:</p>

1. Resignation of Datuk Puteh Rukiah as an INED on 1 October 2022.
2. Resignation of Sharifah Sofia binti Syed Mokhtar Shah ("Sharifah Sofia") as a NINED on 20 December 2022.

Based on the Board's annual review of its size and composition in conjunction with the BEA exercise, it was agreed that the Board size was appropriate and adequate to effectively govern the organisation.

(2) Board Skills Matrix

To ensure an appropriate balance on the Board, the Company has adopted a Board Skills Matrix as a reference for the Board's competencies and succession planning to complement one another. The Company focuses on two (2) areas: Primary Industry and Functional Experience. The Board Skills Matrix as at 31 December 2022, showed that all Directors are equipped with relevant and up to date skills and experience in Functional Experience, especially in finance/accounting, legal and regulatory; human capital; administration; operations; communication and investor relationship; succession planning; corporate strategic and planning; corporate governance, risk management and internal control; project management; public policy (i.e. corporate values, whistle blowing policy and procedure); economic/investment; and corporate sustainability or ESG.

(3) Board Diversity

The diversity in the age, gender, race/ethnicity (cultural background) tenure, and nationality of the current Board, is as follows:

	Age Group				Gender	
	20 – 29	40 – 49	50 – 59	60 – 69	Male	Female
Number of Directors	0	1	4	2	7	0

	Race/Ethnicity				Nationality	
	Malay/ Bumiputera	Chinese	Indian	Others	Malaysian	Foreigner
Number of Directors	7	0	0	0	7	0

The diversity of gender, ethnicity and age within the Board is also important, and this includes an appropriate mix of skills, experience and competencies that are relevant to enhance the Board's composition and functions. The Board takes cognisance of board diversity whenever a vacancy arises, to ensure a balanced and diverse Board composition.

	To ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, the criterion as agreed by the Board in determining potential candidates is that they must not hold directorships of more than five (5) public listed companies, as prescribed in Paragraph 15.06 of the MMLR of Bursa Malaysia.	
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 5.6

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>Pursuant to the BNRC TOR, the BNRC has the authority to engage independent professional advisers or other adviser and to secure their expertise whenever necessary.</p> <p>During the reporting year, the Company has engaged with Institute of Corporate Directors Malaysia to assist in sourcing for a suitable and qualified female INED in accordance with the approved Board Selection Criteria for appointment of INED.</p> <p>When evaluating a candidate for a new appointment, the BNRC takes into account the candidates' skills, knowledge, expertise, experience, professionalism and integrity and their declaration in accordance to the Fit and Proper Policy of Pos Malaysia to determine his/her eligibility for appointment. The BNRC also considers gender diversity in reviewing the appropriate proportion of female to male Directors on the Board, for any new appointment. For the position of an Independent Director, the BNRC would consider the candidate's ability to discharge such responsibilities/functions as expected of an Independent Director. The Board will then make the final decision on the appointment of the Director, upon recommendation from the BNRC.</p> <p>As Pos Malaysia is licensed by Bank Negara Malaysia ("BNM") under the Money Services Business Act 2011 for its remittance business and is also licensed by the Malaysian Communications and Multimedia Commission ("MCMC") under the Postal Services Act 2012 for its postal services, all new appointments of Directors are also subject to the fulfilment of a "fit and proper" test as prescribed by BNM and MCMC as well as the fitness and propriety as per the Fit and Proper Policy adopted by the Company.</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 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of Directors are published in the Annual Report and on Pos Malaysia's website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest, as well as their shareholdings in Pos Malaysia, if any.</p> <p>The explanatory notes below have been included in the Notice of 31st AGM, accompanying resolutions for the re-appointment of Directors who are due to retire and have offered themselves for re-election pursuant to Constitution of the Company ("the Retiring Directors").</p> <p>For the purpose of determining the eligibility of Directors standing for re-election at the 31st AGM, the Board through its BNRC, had assessed the retiring Directors' performance, contribution and independence via the annual BEA, taking into consideration among others, the Directors' level of contribution to the Board's deliberations through their skills, experience and strength in qualities; demonstrated objectivity in the Board's decision-making process, gave valuable feedback through sharing of knowledge and experience and acted in the best interests of the Company as well as the Directors' fitness and propriety as per the Fit and Proper Policy.</p> <p>The Board agreed with the BNRC's assessment that the retiring Directors' performance and contribution in the discharge of their duties during the assessment period had been satisfactory and met the criteria of the Fit and Proper Policy of the Company, amongst others, probity, personal and financial integrity, competence and time management.</p> <p>Based on the above, the Board approved the BNRC's recommendation that the following Directors who retire in accordance with Article 116 of the Company's Constitution, are eligible to stand for re-election:</p> <p><u>Article 116 – Retirement by rotation</u></p> <p>(i) Datuk Idris bin Abdullah @ Das Murthy ("Datuk Idris")</p> <p>(ii) Dato' Ahmad Suhaimi bin Endut ("Dato' Ahmad Suhaimi")</p>

	<p>The retiring Directors had abstained from deliberation and decision on their respective eligibility to stand for re-election at the relevant Board/BNRC meeting.</p> <p>The profiles of Datuk Idris and Dato' Ahmad Suhaimi are available on pages 64 and 65 of the Annual Report 2022.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>BNRC Chairman, Dato' Jezilee bin Mohamad Ramli ("Dato' Jezilee"), has experience in Financial, Accounting, Audit, Treasury, Operations Transformation, Corporate Governance, Corporate Strategy and Corporate Finance. He also has vast exposure in senior positions in various sectors, including automotive, media services, banking and insurance.</p> <p>The Board is of the view that Dato' Jezilee is more than qualified to assume the role of Chairman of BNRC due to his vast experience including good interpersonal skills when interacting with other Board members and the Company's employees, by conducting himself in a professional and confidential manner during discussions of sensitive or controversial topics.</p> <p>The remaining members of the BNRC are Datuk Idris and Dato' Mohamed Sharil bin Mohamed Tarmizi ("Dato' Sharil"), where both are INEDs.</p> <p>The profile of Dato' Jezilee is available on page 68 of the Annual Report 2022.</p> <p>The Board takes cognisance of the recommended practice in the MCCG 2021 for the BNRC to be chaired by an Independent Director or the Senior Independent Director and would apply the same, should a suitable candidate be identified by the Board.</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 will ensure that the intended outcome is achieved as the majority of INEDs already form the composition of the BNRC, allowing for robust discussions and constructive assessment of the matters presented to them.
Timeframe	:	Others

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>Currently, there is no woman director on the Board of the Company, following the resignation of Datuk Puteh Rukiah and Sharifah Sofia on 1 October 2022 and 20 December 2022 respectively.</p> <p>The Board will ensure that Pos Malaysia comply with Paragraph 15.02 of the MMLR, i.e., to have at least one (1) woman director appointed on Board by 1 June 2023.</p> <p>The Board is taking various steps to ensure women candidates are considered in the recruitment exercise. Pos Malaysia recognises that advancing gender equality throughout business operations and value chains can tap better talent, higher productivity, better organisational effectiveness and overall corporate success.</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 supports the MCCG 2021’s best practice of having 30% women’s participation on boards of public companies in Malaysia The Board is in the process of identifying suitable candidates, at this juncture, and an appointment will be made by 1 June 2023.	
Timeframe	:	Others	As and when a suitable woman candidate, who is able to complement the current Board composition and mix, is identified.

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>One of the key Pillars of our Sustainability Commitment is Social – A Great company to work for all. With more than 15,000 employees, Pos Malaysia is one of Malaysia's largest employers. To be a great company to work for all, we take action to provide a safe, inclusive, motivated and engaging environment for our employees. We take steps to attract and retain the best talent, increase the number of women in leadership positions to at least 50% and reduce our Loss Time Injury Frequency Rate ("LTIFR") to below 2.86 by 2025. With these key measures and more, we will continue to foster a Safety-First culture and create an environment of genuine diversity and inclusion.</p> <p>The Board Diversity Policy is embedded in the Board Charter and available on the website at www.pos.com.my as set out below:</p> <p>The Board supports boardroom gender diversity as recommended under the MCCG 2021, by taking various steps to ensure women candidates are considered in the recruitment exercise. Pos Malaysia recognises that advancing gender equality throughout business operations and value chains can tap better talent, higher productivity, better organisational effectiveness and overall corporate success.</p> <p>The Board, through the BNRC, will review the appropriate proportion of female to male Directors on the Board at the time of considering the appointment of new Directors to the Board. The selection criteria for a Director will be based on an effective blend of competencies, skills, extensive experience and knowledge necessary for the Board to discharge its responsibilities.</p> <p>In this regard, the BNRC shall take the following steps to ensure women's participation on Boards despite not setting any target for Pos Malaysia towards meeting the recommendation under the MCCG 2021:</p> <ol style="list-style-type: none">1. Assess the appropriate mix of diversity including gender, ethnicity and age, candidates' skills, knowledge, expertise and experience required on the Board and identify the existing gap, if any;2. Adhere to the recruitment procedures of Pos Malaysia and develop a list of candidates which shall always include diverse candidates and in any director search; whenever reasonably possible, priority will be given to the appointment of a woman Director to fill a directorship vacated by a retiring or resigning woman Director.

	3. Interview and evaluate the candidates; thereafter, recommendation be made to the Board in relation to appointments by ensuring that an appropriate mix of diversity, skills, knowledge, expertise and experience on the Board shall be maintained from time to time; and
	4. Review and assess the boardroom diversity on a regular basis. Any gap that occurred in relation thereto shall be reported to 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

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 Board, through the BNRC, has undertaken a formal and objective BEA exercise pursuant to Paragraph 15.08A(3)(c) of the MMLR of Bursa Malaysia to ensure that the Board has the appropriate mix of skills and experiences and effectively discharges its duties. The BEA is designed to improve the Board's effectiveness as well as to bring to the Board's attention on key areas that need to be addressed in order to maintain Board cohesion.</p> <p>During the financial year, the BEA was conducted internally through self-assessment methodologies and facilitated by the Company Secretaries. Each Director was also requested to carry out a self-analysis of his skills and experiences against the Company's requirements through a Board Skills Matrix. This is to enable the BNRC to evaluate if the Board, through its Directors, collectively possesses the necessary skills and experiences to effectively discharge its role.</p> <p>The criteria used in the assessment for the Board and Board Committees encompassed their roles and responsibilities, mix of characteristics, experiences, skills, conduct of meetings, participation and contribution of members during the meetings, their overall performance and Board diversity (including gender diversity).</p> <p>The effectiveness of the Board Committees was assessed in terms of composition, meetings, information, skills & competencies and outcomes of the meetings.</p> <p>The results of the BEA were presented to the BNRC and the Board, and the findings and areas that would necessitate further improvements were acknowledged. The Management thereafter presented the action plans to be taken based on the comments and suggestions made by the Directors.</p>

	Based on the results of the evaluation, the Board as a whole and its Board Committees have been effective in their overall discharge of functions and duties. The Board is clear in the strategic direction, ethics oversight as well as legal and regulatory compliance of the Company.	
Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure		
Timeframe		

Intended Outcome

The 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 BNRC ensures that the level and composition of the Remuneration Framework of the Directors, GCEO and Senior Management are reasonable to attract and retain them to ensure the right calibre, experience and quality needed to drive and manage the Group successfully.</p> <p><u>Remuneration Framework for the GCEO and other Senior Management</u></p> <p>The Company has a structured Remuneration Framework for the GCEO and Senior Management, to ensure the rewards are linked to the corporate and individual performances. The BNRC determines and recommends to the Board for approval, the Corporate KPIs and structures the rewards for the GCEO and Senior Management based on their performance against the pre-determined Corporate KPIs.</p> <p><u>Remuneration Framework for NEDs</u></p> <p>The remuneration policies and procedures to determine the remuneration of directors are embedded in the Board Charter and available on the website at www.pos.com.my.</p> <p>The Board, as a whole, endorsed the fees and remuneration payable to Non-Executive Directors, based on their experience, expertise and level of responsibilities undertaken by the NEDs, taking into consideration the recommendations of the BNRC. The NEDs will be paid Directors' fees for services rendered to the Board, as well as to the Board Committees, and meeting allowances for the number of Board, Board Committee and general meetings attended. The Constitution of Company also allows the Company to reimburse reasonable expenses to the Directors in the course of their duties.</p>

	<p>In accordance with Section 230 of the CA 2016 and Article 91 of the Company's Constitution, the fees and benefits payable to the Non-Executive Directors are subject to shareholders' approval at the Company's AGM.</p> <p>The Remuneration Framework for NEDs, which includes the entitlement of Directors' Fees and meeting allowances to NEDs for FY2022, is set out in the Corporate Governance Overview Statements of the Annual Report 2022, which is also available on the website, as follows:</p> <table border="1" data-bbox="560 544 1353 728"> <thead> <tr> <th data-bbox="560 544 932 616" rowspan="2">Board/Board Committees</th><th colspan="2" data-bbox="932 544 1353 577">Directors' Fees per annum (RM)</th></tr> <tr> <th data-bbox="932 577 1126 616">Chairman</th><th data-bbox="1126 577 1353 616">Members</th></tr> </thead> <tbody> <tr> <td data-bbox="560 616 932 651">Board of Directors</td><td data-bbox="932 616 1126 651">120,000</td><td data-bbox="1126 616 1353 651">80,000</td></tr> <tr> <td data-bbox="560 651 932 687">BAC</td><td data-bbox="932 651 1126 687">15,000</td><td data-bbox="1126 651 1353 687">10,000</td></tr> <tr> <td data-bbox="560 687 932 728">Other Board Committees</td><td data-bbox="932 687 1126 728">8,000</td><td data-bbox="1126 687 1353 728">6,000</td></tr> </tbody> </table> <table border="1" data-bbox="560 763 1347 1126"> <thead> <tr> <th colspan="2" data-bbox="560 763 1080 869">Meeting Allowances</th><th data-bbox="1080 763 1347 869">Amount per meeting attended (RM)</th></tr> </thead> <tbody> <tr> <td data-bbox="560 869 628 904">a.</td><td data-bbox="628 869 1080 904">Board of Directors</td><td data-bbox="1080 869 1347 904">1,000</td></tr> <tr> <td data-bbox="560 904 628 940">b.</td><td data-bbox="628 904 1080 940">BAC</td><td data-bbox="1080 904 1347 940">2,500</td></tr> <tr> <td data-bbox="560 940 628 976">c.</td><td data-bbox="628 940 1080 976">BNRC</td><td data-bbox="1080 940 1347 976">1,000</td></tr> <tr> <td data-bbox="560 976 628 1012">d.</td><td data-bbox="628 976 1080 1012">BRSCC</td><td data-bbox="1080 976 1347 1012">1,000</td></tr> <tr> <td data-bbox="560 1012 628 1048">e.</td><td data-bbox="628 1012 1080 1048">BTC</td><td data-bbox="1080 1012 1347 1048">1,000</td></tr> <tr> <td data-bbox="560 1048 628 1084">f.</td><td data-bbox="628 1048 1080 1084">BDC</td><td data-bbox="1080 1048 1347 1084">1,000</td></tr> <tr> <td data-bbox="560 1084 628 1126">g.</td><td data-bbox="628 1084 1080 1126">General Meeting</td><td data-bbox="1080 1084 1347 1126">1,000</td></tr> </tbody> </table>		Board/Board Committees	Directors' Fees per annum (RM)		Chairman	Members	Board of Directors	120,000	80,000	BAC	15,000	10,000	Other Board Committees	8,000	6,000	Meeting Allowances		Amount per meeting attended (RM)	a.	Board of Directors	1,000	b.	BAC	2,500	c.	BNRC	1,000	d.	BRSCC	1,000	e.	BTC	1,000	f.	BDC	1,000	g.	General Meeting	1,000
Board/Board Committees	Directors' Fees per annum (RM)																																							
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Explanation for departure																																								
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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>Currently, the BNRC comprises three (3) members, two (2) of whom are INEDs.</p> <p>The Board has delegated to the BNRC, the responsibility to determine the level and composition of the remuneration framework and implement policies and procedures on matters relating to the remuneration of the Board, GCEO and Senior Management.</p> <p>The TOR of the BNRC which deals with its authority, duties and responsibilities, is available on Pos Malaysia's website at www.pos.com.my.</p> <p>The BNRC shall meet at least once a year and upon request by its members, as and when necessary. The BNRC met four (4) times during the FY2022.</p> <p>The Board is satisfied that, for FY2022, the BNRC has effectively discharged its roles and responsibilities with respect to its remuneration function, which includes amongst others, review of the remuneration policies for the Board, Board Committees, the GCEO and key management personnel.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>To ensure the adoption of the best corporate governance practice, the Company has disclosed the Directors' remuneration on a named basis in the Annual Report 2022.</p> <p>The remuneration received by each of the NEDs in 2022 is set out in the table below.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Sri Syed Faisal bin Syed A.R Albar	Non-Executive Non-Independent Director	120	8	0	0	0	0	128	120	8	0	0	0	0	128
2	Datuk Puteh Rukiah binti Abd Majid (Resigned on 1 October 2022)	Independent Director	82.5	30.5	0	0	0	0	113	82.5	30.5	0	0	0	0	113
3	Datuk Idris bin Abdullah @ Das Murthy	Independent Director	93.8	18.5	0	0	0	0	112.3	93.8	18.5	0	0	0	0	112.3
4	Sharifah Sofia binti Syed Mokhtar Shah (Resigned on 20 December 2022)	Non-Executive Non-Independent Director	61.7	10	0	0	0	0	71.7	61.7	10	0	0	0	0	71.7
5	Dato' Ahmad Suhaimi bin Endut	Non-Executive Non-Independent Director	86	7	0	0	0	0	93	86	7	0	0	0	0	93
6	Ahmed Fairuz bin Abdul Aziz	Independent Director	101	30.5	0	0	0	0	131.5	101	30.5	0	0	0	0	131.5
7	Dato' Dr. Mohd Ali bin Mohamad Nor	Independent Director	96.5	22	0	0	0	0	118.5	96.5	22	0	0	0	0	118.5
8	Dato' Jezilee bin Mohamad Ramli	Non-Executive Non-Independent Director	97	33.5	0	0	0	0	130.5	97	33.5	0	0	0	0	130.5

9	Dato' Mohamed Sharil bin Mohamed Tarmizi	Independent Director	96.5	18	0	0	0	0	114.5	96.5	18	0	0	0	0	114.5
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

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

Practice 8.2

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

Application	:	Departure																
Explanation on application of the practice	:																	
Explanation for departure	:	<p>The Board opined that disclosing the remuneration component of Senior Management on a named basis including salary, bonus, benefits-in-kind and other emoluments will neither be in the best interest nor to the advantage of the Group, considering the highly competitive employment market for talents.</p> <p>The aggregate total remuneration of key management personnel of the Group is disclosed in Note 6 of the Audited Financial Statements of the Company for FY2022.</p> <p>The top five (5) Senior Management’s remuneration (including salary, bonus, allowances and other emoluments) are disclosed in the bands of RM50,000, as follows:</p> <table><tr><th></th><th>Range of Remuneration</th><th>Number of Senior Management</th><th>Remarks (Employment Period)</th></tr><tr><td>1</td><td>RM200,001 to RM250,000</td><td>1</td><td>January 2022 to 14 March 2022</td></tr><tr><td>2</td><td>RM850,001 to RM900,000</td><td>2</td><td>January 2022 to December 2022</td></tr><tr><td>3</td><td>RM1,100,001 to RM1,150,000</td><td>2</td><td>January 2022 to December 2022</td></tr></table> <p>Currently, the performance of Senior Management is evaluated on an annual basis and measured against their Key Performance Indicators set for the year. The Board will ensure that the remuneration for the Senior Management commensurate with their performance, in order to attract, retain and motivate the talent in the Group.</p>		Range of Remuneration	Number of Senior Management	Remarks (Employment Period)	1	RM200,001 to RM250,000	1	January 2022 to 14 March 2022	2	RM850,001 to RM900,000	2	January 2022 to December 2022	3	RM1,100,001 to RM1,150,000	2	January 2022 to December 2022
	Range of Remuneration	Number of Senior Management	Remarks (Employment Period)															
1	RM200,001 to RM250,000	1	January 2022 to 14 March 2022															
2	RM850,001 to RM900,000	2	January 2022 to December 2022															
3	RM1,100,001 to RM1,150,000	2	January 2022 to December 2022															
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																		

Measure	:	The Board will closely monitor developments in the market in respect of such disclosure for future consideration.	
Timeframe	:	Others	

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 BAC comprises three (3) members, two (2) of whom are INEDs.</p> <p>The Chairman of the BAC is Ahmed Fairuz bin Abdul Aziz (“Ahmed Fairuz”), an INED, who is not the Chairman of the Board.</p> <p>Details of the composition and activities of the BAC are set out in the Audit Committee Report contained in the Annual Report 2022.</p> <p>The profile of the BAC Chairman is available on page 66 of the Annual Report 2022.</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 9.2

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	:	<p>In line with the recommendation of the MCCG 2021, the TOR of BAC had been revised in August 2022 to include the cooling off period of at least three (3) years before any former key audit partner could be appointed as a BAC member, to safeguard the independent audit of the Company's financial statement.</p> <p>As at the date of this report, the BAC comprises three (3) members and none of them are former key audit partners.</p> <p>The TOR of the BAC is available on the Company's website at www.pos.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 TOR of the BAC cites, amongst others, the functions and duties of the BAC, recommendations to be made to the Board and the terms of engagement of the External Auditors.</p> <p>During the financial year, the Company has reviewed and revised its Policy on External Auditors. The revised policy encompasses the following scopes:</p> <ul style="list-style-type: none">i. Assessment and Appointment of External Auditorsii. Rotation of External Auditorsiii. Cooling Off Periodiv. Assessment on the Independence of External Auditorsv. Non-Audit Servicevi. Review of Policy <p>The said Policy also spells out the selection and appointment criteria of External Auditors, which includes the annual assessment on performance, suitability and independence. A formal procedure of obtaining quotations from the external auditors will be undertaken every seven (7) years and will be evaluated accordingly.</p> <p>The lead engagement partner ("EP") and quality control review partner ("EQCRP"), who are responsible for the financial statements of the Group, will be subject to a seven-year rotation with a five-years and three-years cooling-off period for the EP and EQCRP respectively.</p> <p>The External Auditors may be engaged to perform non-audit services that are not, and are not perceived to be, in conflict with the role of the External Auditor and might create a threat to independence.</p> <p>Assessment on the independence status of External Auditors is to be performed and reviewed annually by the BAC.</p> <p>The BAC had in March 2023, undertaken an annual assessment on the quality of audit, independence, communication, objectivity and professionalism of the external auditors, KPMG PLT ("KPMG"), through online evaluation questionnaires.</p>

	<p>KPMG had, thereafter, provided a written assurance confirming their independence throughout their term of engagement in accordance with the terms of all relevant professional and regulatory requirements with respect to the audited financial statements for FY2022.</p> <p>Based on the assessment on the effectiveness and independence of KPMG as the External Auditors, the BAC is satisfied and recommended the External Auditors, KPMG to be re-appointed for the ensuing financial year subject to the shareholders' approval at the 31st AGM of the Company.</p> <p>The TOR of the BAC is available on Pos Malaysia's website at www.pos.com.my</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The BAC members are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations at meetings.</p> <p>All members of the BAC are financially literate and have sufficient understanding of the Group's businesses. They are well-equipped with relevant knowledge and experience to effectively discharge their duties and responsibilities as members of the BAC in accordance with the TOR of the BAC.</p> <p>The Chairman of the BAC, Ahmed Fairuz, is a Fellow Member of the Institute of Chartered Accountants, England and Wales and a member of the Malaysian Institution of Accountants ("MIA"). He graduated from the London School of Economics and Political Science, United Kingdom with a Bachelor of Accounting and Finance. He is currently the Managing Director of KUB Malaysia Berhad and was formerly its GCEO.</p> <p>Dato' Jezilee, a member of the BAC, is also a member of the MIA, Malaysian Institute of Certified Public Accountants and American Institute of Certified Public Accountants. He is currently the Chief Operating Officer of DRB-HICOM Berhad ("DRB-HICOM").</p> <p>On 1 October 2022, Dato' Dr. Mohd Ali bin Mohamad Nor ("Dato' Dr. Mohd Ali") was appointed as a member of the BAC in place of Datuk Puteh Rukiah following her resignation as a Director of Pos Malaysia.</p> <p>The qualification and experience of each member of the BAC are disclosed in the Profile of the Board of Directors' section of the Annual Report 2022.</p>

	<p>The Board through the BNRC, reviews the terms of office of the BAC members and assesses their performances, individually and collectively, through an annual evaluation. Based on the outcome of the evaluation for FY2022, the Board is satisfied with the BAC's performance.</p> <p>The members of the BAC were briefed on the relevant changes in the financial reporting standards by the External Auditors at the BAC 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

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 recognises that effective risk management practices are a critical component of a sound system of risk management and internal control. In view thereof, there is a systematic process to identify, evaluate and manage significant risks faced by the Group that may impede the achievement of the Group's objectives.</p> <p>Pos Malaysia has adopted Enterprise Risk Management ("ERM"), as a holistic, integrated, structured and disciplined approach to managing risks and maximising shareholders' value. It aligns strategy, processes, technology, governance, people and culture to Pos Malaysia's vision, mission and goals, as set out in the strategic plan and its operations, to identify and manage the enterprise risks, while creating value. By providing a systematic approach to evaluate and improve the effectiveness of risk management and control, ERM increases the likelihood of Pos Malaysia to achieve its objectives. The Company further ensures that existing and emerging risks are identified and managed within an acceptable risk appetite.</p> <p>The Board has a stewardship responsibility to understand these risks, communicate the requirements of this policy and guide the Group in dealing with these risks.</p> <p>The policies of the BRSCC are as follows:</p> <ol style="list-style-type: none">1. To manage risks proactively and in an integrated and transparent way in accordance with good governance practices; and2. To ensure that an effective and formalised ERM Policy/Framework is established and maintained by the Group. <p>The Management of risk is a shared responsibility at all levels within Pos Malaysia. The Risk Management Department ("RMD") oversees the ERM framework, facilitating and coordinating, tracking and monitoring risks and reports their status to the Risk, Sustainability and Compliance Committee ("RSCC") and the BRSCC.</p>

	<p>The Group adopts ISO 31000 Risk Management Standards as a primary foundation and reference for the ERM framework. The Group has implemented and consistently applies the ERM framework to identify, evaluate and manage risks across the Group.</p> <p>At the same time, the framework facilitates the Management in making sound business decisions with the aspiration to lead the Group towards a more proactive and inclusive risk management approach to mitigate threats and capitalise on opportunities.</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

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 adopts ISO 31000 Risk Management Standards as a primary foundation and reference for the establishment of the ERM framework. The key features of the ERM framework are elaborated as follows:</p> <ol style="list-style-type: none">1. Scope, Context and Criteria:<ol style="list-style-type: none">i. Scope – to define the level of risk management activities such as strategic, operational and project.ii. Context—to understand the internal and external environment in which the Group's objectives are being pursued.iii. Criteria – to specify the amount and type of risk that it may or may not take, relative to the significance of the objectives after considering the Group's capability and obligations.2. Risk Identification:<p>To identify and define the specific risks and sources of risks that will impact the Group's business performance including the realisation of opportunities. Risks that have been identified will be classified into one of the following categories:</p><ol style="list-style-type: none">i. Strategic Risk – exposure to risk arising from long-term or short-term policy decisions based on the current strategy of the Group.ii. Market and Business Risk – exposure to risk due to competition and/or fiscal policy changes which are external to the Group and beyond its control.iii. Operational Risk – exposure to risk arising from daily tactical business activities related to business operations, processes and technology.iv. Reputational Risk – exposure to risk arising from the brand or image of the Group.v. Information/System Risk – exposure to risk arising from cyber threats, loss or inaccuracy of data, non-functioning or incorrectly functioning Information Technology (IT) systems or reported information.vi. Financial Risk – exposure to risk related to loss of revenue resources or the incurring of unacceptable liabilities.

	<p>vii. Organisational Risk – exposure to risk associated with the Group’s structure, management and employees (skills, competencies, etc).</p> <p>viii. Compliance Risk – exposure to risk arising from inadequacy in compliance with the required mandatory or established regulations and policies.</p> <p>ix. Sustainability Risk – exposure to risk related to environmental, economic and social impact on the Group’s operations.</p> <p>x. Fraud Risk – exposure to risk arising from dishonest act/dealings with intent to cheat whereby certain parties may unlawfully benefit from the act/deal.</p> <p>xi. Corruption Risk – exposure to risk related to corruption including, giving/offering, receiving/soliciting bribes, abuse of power/position and intention to deceive (false claim).</p> <p>3. Risk Analysis: To understand the nature, root causes and consequences of the risk. This involves due consideration of the causes of risk, their positive and negative impact on the objectives.</p> <p>4. Risk Evaluation: To evaluate risk from two perspectives (likelihood and impact) and understand to what extent the risk will impact on achievement of objectives. Risks are evaluated in both inherent and residual states. Risk evaluation involves making decisions on appropriate actions to be taken by the Group after the risk analysis has been conducted, including deciding on whether a risk needs to be managed or mitigated and the priority to be given based on the risk rating after considering the current state of the internal controls and cost-benefit analysis.</p> <p>5. Risk Treatment: Process of initiating responsive or pre-emptive actions for managing risks and restricting those to acceptable levels i.e. within the Group’s risk appetite levels. There are four (4) risk treatment options as follows:</p> <ul style="list-style-type: none"> • Terminate (Avoid): Deciding not to pursue with the activities that will likely generate the risks. • Treat (Mitigate): Introducing controls or action plans to manage the risks. • Transfer (Spread): Transferring or sharing the risk with the third parties, e.g. insurance, hedging, joint ventures, outsourcing and smart partnerships. • Take (Accept): Using the Group’s strength and capabilities to accept the risks to build a competitive edge.
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	<p>6. Risk Communication and Consultation/Escalation Process: This takes place in each step of the risk management process to ensure that views of the stakeholders/management/Board are considered. The communication flows vertically (both top-down and bottom-up approaches) and horizontally (across departments). Key risks are being communicated formally via periodic risk reporting to the RSCC, as well as BRSCC. Any constraints/limitations in managing risks will be highlighted in such a report for decision or approval.</p> <p>7. Risk Monitoring and Reviewing: This involves reviewing the risk events, the action plans, and the outcomes of such events and studying the lessons learned. Furthermore, due to the dynamic nature of risks, monitoring is required to ensure that new measures are introduced to manage these risks.</p> <p>The RSCC is supported by the RMD and Compliance Department, respectively. RMD's roles are to monitor, analyse and report the risks that have been identified enterprise wide as well as facilitate in the risk assessment process. RMD also evaluates the risk policies and procedures, and initiates improvements based on the trends and developments in risk management that can significantly improve the risk management for the Group.</p> <p>Risk owners will ensure that the risk registers and risk profiles are updated on a quarterly basis and the consolidated reports are tabled to the RSCC, BRSCC and the Board.</p> <p>Further details on the effectiveness of the Risk Management and Internal Controls are provided in the Statement on Risk Management and Internal Control on pages 99 to 104 of the Annual Report 2022.</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>In recognising the importance of the strategic risk of sustainability and the effective management of sustainability practices within the Group, the Board has established the BRSCC to oversee risk management compliance and sustainability efforts to align with the Group's long-term business and sustainability strategy.</p> <p>The BRSCC of the Company comprises three (3) members, all of whom are INEDs, as follows:</p> <ul style="list-style-type: none">a. Dato' Sharil (Chairman)b. Datuk Idris (Member)c. Dato' Dr. Mohd Ali (Member) <p>The TOR of the BRSCC is accessible on the Company's corporate website at www.pos.com.my</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established an in-house internal audit function for the Group. The Head of Internal Audit reports directly to the BAC on a functional basis and to the GCEO administratively.</p> <p>In this respect, the Head of Internal Audit periodically reports to the BAC on the activities performed, as well as key control issues noted by the internal auditors.</p> <p>The Internal Audit undertakes independent assessments on the internal control systems of the Group and on a quarterly basis, provides assurance to the BAC that no material issue or major deficiency, which would pose a high risk to the overall system of the internal control under review, has been noted.</p> <p>To ensure that the responsibilities of Internal Audit are fully discharged, the BAC reviews:</p> <ol style="list-style-type: none">1. The appointment and removal of the Head of Internal Audit;2. The adequacy of the Internal Audit's scope, competency level, experience and resources of the function; and3. The Internal Audit's performance. <p>In formulating the annual audit plan, the Internal Audit adopts a risk and strategy-based approach, by aligning its activities to the key risks identified across the Group. The results of the audits disclosed in the Internal Audit reports are reviewed by the BAC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>In accordance with the Internal Audit Charter of Pos Malaysia (Section 2.3 - Objectives and 2.4 - Independence), internal auditors are required to act as an independent function that adds value to improve the operations of Pos Malaysia and its subsidiaries.</p> <p>During the financial year, the Internal Audit has 21 audit personnel comprising the Head of Internal Audit, and 19 internal auditors and one support staff. The Interim Head of Internal Audit, Rizal Ahmad ("Rizal") was appointed on 15 October 2022. He is an Associate Member of the Institute of Internal Auditors Malaysia. Academically, he holds a Diploma in Banking Studies of UiTM and is currently pursuing Certified Internal Auditor from the Institute of Internal Auditors Global. Rizal has been on secondment to Pos Malaysia from DRB-HICOM as the Head of Investigation since February 2022 before being appointed as the Interim Head of Internal Audit. His last role at DRB-HICOM was General Manager, Group IAD. Rizal has over 20 years of experience in Internal Audit and Investigations from various industries and has been with DRB-HICOM Group of Companies for over 15 years.</p> <p>The internal auditors have various qualifications including the Certified Information Systems Auditor and Master of Business Administration, and memberships with professional bodies such as the Institute of Internal Auditors Malaysia, and the Malaysian Institute of Accountants.</p> <p>The BAC had conducted an annual assessment of the overall performance of the Internal Audit for FY2022, and was satisfied with the level of competency, experience, and resources of the Internal Audit function in discharging its role and responsibilities.</p> <p>Internal Audit adopts the International Professional Practices Framework in managing its functions and performance of the audit engagements, to continuously deliver value-added assurance to Pos Malaysia and support Pos Malaysia in achieving its corporate and strategic objectives.</p>

	Internal Audit is also guided by the internal policies, procedures and framework, as well as the Internal Control Framework of the Committee of Sponsoring Organisations of the Treadway Commission, in assessing and reporting on the adequacy and effectiveness of internal control, risk management and governance processes.	
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>As stipulated in the Board Charter of Pos Malaysia, the Board owes a responsibility to a range of stakeholders, all of whom are fundamental to a successful business.</p> <p>The Board acknowledges the importance of timely, accurate and transparent communication with the Company's shareholders and various stakeholders. The Board discloses and disseminates comprehensive, relevant and material information to the public through various channels to keep its stakeholders informed of its business activities, strategies and financial performance.</p> <p>The Board customises its respective key stakeholder engagement approach, as set out below:</p> <p>(a) Engagement with the shareholders, institutional investors and analysts</p> <p>Communication with the shareholders, institutional investors and analysts is conducted through various engagement approaches, which amongst others, include an Annual Analyst Briefing hosted by the GCEO. The current performance, plans, strategies and prospects of the Group are shared during this briefing. One-on-one meetings and dialogues with investors and analysts are also carried out on a quarterly basis. These meetings provide the opportunity for investors and analysts to gain a better understanding of the business and pose questions on a more personal basis.</p> <p>The stakeholders are also kept abreast with material business matters affecting the Group through the quarterly financial reports, annual reports, announcements, circulars and press releases.</p> <p>The Group maintains its corporate website at www.pos.com.my to disseminate information and enhance its investor relations. It is also an avenue to update the public on the Group's activities.</p>

	<p>All disclosures, material information and announcements made to Bursa Malaysia are published on the website.</p> <p>The AGM serves as the principal communication forum between the Directors and Senior Management team with the shareholders. At this meeting, shareholders have direct access to the Directors and the Senior Management and are given the opportunity to raise questions or seek clarification regarding the Group's activities, financial performance and prospects as well as to raise any issues of concern.</p> <p>(b) Engagement with employees of Pos Malaysia</p> <p>The Group strives to maintain an open and two-way communication with its employees, across all levels of the organisation, which enables the Group to bridge the information gap, re-align goals to its values and capture feedback. Among the key topics discussed are the Company's performance and its growth strategies, the Code of Ethics, training and development, performance evaluation and management, remuneration and benefits, occupational safety, health and wellbeing and collective bargaining.</p> <p>During the COVID-19 pandemic, the Company practises communication, via both face-to-face and virtual, live and recorded via town halls, meetings, feedback sessions, training sessions, talks videos and surveys to help mitigate the spread of the virus. This includes regular engagements with unions to create open and collaborative relations between the management and employee representatives.</p> <p>(c) Engagement with regulatory authority</p> <p>As the Group is operating in a regulated industry, there are regular interactions with its principal regulatory authorities i.e. the MCMC and the Ministry of Communications and Digital. The engagement approaches vary, from in-person meetings, advocacy sessions, focus groups and industry consultations. Other regulatory authorities engaged, including but not limited to, are the Ministry of Finance, Ministry of Natural Resources, Environment and Climate Change, Ministry of Home Affairs, Road Transport Department, National Registration Department, Civil Aviation Authority of Malaysia and Malaysian Aviation Commission.</p> <p>(d) Engagement with local communities</p> <p>The Group's socio-economic empowerment initiatives, such as leveraging on Posmen Komuniti, Wakil Posmen Komuniti and Posmen Kejiranan, in addition to the existing in-house last-mile delivery resources, provide an opportunity to create jobs and catalyse economic development for the rural communities.</p>
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	Pos Malaysia continues to provide job opportunities not only to our own staff but to communities via our entrepreneurship programme and outsourced last mile delivery agents, depending on the business needs.	
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 Company had embedded some elements of integrated reporting in the Company's Annual Report 2022 to comply with the requirements of the Global Reporting Initiative Standards.	
		The current Annual Report adopted by Pos Malaysia demonstrates the Company's aspirations towards the adoption of integrated reporting to provide information on how the Company's strategy, performance, governance and prospects lead to value creation.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board, along with the Management, is working towards adopting the globally recognised integrated reporting for the Company.	
Timeframe	:	Others	At an appropriate time.

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 Notice of the 30th AGM was circulated on 29 April 2022 for the AGM held on 16 June 2022, to ensure that the 28 days' notice was given to the shareholders, well in advance of the 21-day requirement under the CA 2016 and MMLR of Bursa Malaysia. The additional time given to shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives or proxies. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p> <p>The Notice of the 30th AGM, including the details of the business to be transacted, was sent to shareholders by way of letter to inform that Proxy Form and Administrative Guide for the AGM which was scheduled to be held on 16 June 2022 had been published on Pos Malaysia's website. These documents, together with the Annual Report 2021 and Corporate Governance Report 2021 were also made available at https://www.pos.com.my/investor-relations and Bursa Malaysia at www.bursamalaysia.com. The Notice of the 30th AGM was also published in a nationally circulated newspaper, for wider dissemination, to encourage shareholders' participation.</p> <p>Each item of special business proposed in the Notice of the 30th AGM was accompanied by an explanatory statement, to facilitate better understanding and enable shareholders to make an informed decision, when exercising their voting rights.</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 Board members acknowledge the importance of attending general meetings, by ensuring a perfect attendance at all AGMs of the Company, to engage directly with the shareholders/proxies and respond to any queries addressed to them.</p> <p>For the 30th AGM held on 16 June 2022, all Directors and the following essential individuals attended the AGM virtually from the Broadcast Venue or at their respective venue:</p> <p>Directors:</p> <ol style="list-style-type: none">1. Dato' Sri Syed Faisal (Chairman of the Board)2. Ahmed Fairuz (Chairman of BAC)3. Datuk Puteh Rukiah (Chairman of BTC)4. Dato' Jezilee (Chairman of BNRC)5. Dato' Sharil (Chairman of BRSCC and Chairman of BDC)6. Datuk Idris7. Sharifah Sofia8. Dato' Dr. Mohd Ali9. Dato' Ahmad Suhaimi <p>Essential Individuals:</p> <ol style="list-style-type: none">10. Charles Brewer (GCEO)11. PeerMohamed Ibramsha (Group Chief Financial Officer)12. Sabarina (Company Secretary)13. Yoke Fung (Joint Company Secretary)14. Serina Joon Yee Wah (Emcee) - Head, Corporate Communications15. Vengadesh a/l Jogarajah (External Auditors, KPMG)16. Gan Yee Hooi (External Auditors, KPMG)17. Rozleen bin Monzali (Share Registrar/Poll Administrator, Boardroom Share Registrars Sdn Bhd ("Boardroom"))18. Zuriati Yaacob (Scrutineer from Sky Corporate Services Sdn Bhd ("Sky Corporate Services")) <p>A total of 813 shareholders, corporate representatives and proxies attended the 30th AGM at https://web.lumiagm.com. The proceedings of the 30th AGM at the Broadcast Venue included the GCEO's presentation on an overview of Pos Malaysia Group's business performance for the financial year ended 31 December 2021 and the progress of the transformation plan including the prospect going forward, presentation on the questions raised by Minority Shareholder Watch Group ("MSWG")</p>

	together with the Company's responses and a Question and Answer ("Q&A") session during which the Chairman invited shareholders to use the Remote Participation and Electronic Voting ("RPEV") facilities to submit questions (real time) during the meeting for adoption at the meeting, before putting a resolution to vote.	
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>For the 30th AGM held on 16 June 2022 being the third virtual general meeting, Pos Malaysia has continued leveraging technology in accordance with Section 327(1) and (2) of the CA 2016 and SC's Guidance and Frequently Asked Questions ("FAQs") on the Conduct of General Meetings for Listed Issuers issued on 18 April 2020 and revised on 7 April 2022.</p> <p>Pos Malaysia had appointed Boardroom as the Poll Administrator to conduct the polling process, and SKY Corporate Services as the Independent Scrutineer to verify the poll results.</p> <p><u>Remote shareholders' participation at the 30th AGM</u></p> <p>With the RPEV facilities powered by LUMI E-Polling Solutions ("LUMI") , a shareholder has the right as a member of the Company to participate remotely (including pose questions to the Board and/ or Management of the Company) and vote via electronic voting remotely at the 30th AGM. The detailed procedures of the 30th AGM were provided to shareholders in the Administrative Guide.</p> <p>All LUMI application systems and suppliers' services are certified to the ISO/IEC 27001:2013 international standard which provides a robust, auditable and externally verified framework of controls designed to maintain the confidentiality, integrity and availability of customers' information and personal data that LUMI processes on their behalf. LUMI uses strong, industry best-practice encryption techniques to ensure customer data is protected from unauthorised access, all data is encrypted, with all keys managed directly by LUMI. Boardroom confirmed that their client data is never used for quality assurance purposes and is not retained beyond the purpose of processing client's proxy forms for the conduct of the AGM.</p>
Explanation for departure	:	

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

Intended Outcome

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

Practice 13.4

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>At the commencement of the 30th AGM, the Chairman, briefed the members, the corporate representatives and the proxies present virtually at the Meeting of their right to ask questions and vote on the resolutions set out in the Notice of the 30th AGM dated 29 April 2022.</p> <p>The engagement session started with a brief presentation by the GCEO of Pos Malaysia on the business performance highlights of Pos Malaysia Group as well as the transformation progress, including the prospects going forward.</p> <p>Then, the Group Chief Financial Officer, Pos Malaysia continued with the session, responding to questions raised by the MSWG.</p> <p>The Chairman then proceeded with a presentation on the agenda of the 30th AGM. Once concluded, the engagement session continued with the Q&A session.</p> <p>Pos Malaysia received 92 questions from shareholders, corporate representatives and proxies prior to and during the 30th AGM. To avoid repetition and for clarity, the questions received were grouped into three (3) categories namely, financial, operational and corporate governance. Any unanswered questions would be addressed via email to the respective shareholders in due course.</p> <p>To ensure effective communication with the shareholders at a fully virtual general meeting, questions posed by shareholders were displayed on the screen for the meeting participants' reference. The Head Communications, Pos Malaysia read out the questions submitted by the shareholders, which were responded by the Chairman.</p> <p>During the Q&A session, the Chairman and GCEO were fully engaged in responding to the questions received via the query box from the members, corporate representatives and proxies.</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>Boardroom was engaged to provide the webcasting and virtual meeting which included, amongst others, the audio and visual support services to broadcast the proceedings of the 30th AGM virtually. It was live streamed for access via the online meeting platform at https://meeting.boardroomlimited.my.</p> <p>Boardroom, as the Poll Administrator had verified the eligibility of the shareholders/corporate representatives/proxies to attend the 30th AGM based on the General Meeting Record of Depositors as at 7 June 2022 and upon the cut-off date and time for the form of proxy submission. This online meeting platform was secured exclusively for the members with approved registration for the RPEV at the 30th AGM.</p> <p>For the mode of communications, Boardroom had introduced an application called LUMI. During the live streaming of the 30th AGM, the questions posed by the shareholders at https://meeting.boardroomlimited.my would be published to the Board and Management. Prior to the 30th AGM, shareholders may submit questions in advance commencing from 29 April 2022 via Boardroom Smart Investor Portal. Questions posed by shareholders via both portals were captured and transmitted to Pos Malaysia for action and response.</p> <p>Since the Q&A session would commence earlier, the Board and Management had sufficient time to prepare for relevant answers. Therefore, the Chairman had managed the Q&A session smoothly and efficiently. Each question was displayed on the screen as and when the Chairman, GCEO and/or other respondents responded to the respective questions in an orderly manner.</p> <p>On the day of the meeting, the Virtual Meeting Portal was opened for login one (1) hour before the commencement of the meeting. Thereafter,</p>

	<p>shareholders were allowed to use the messaging window facility via the Virtual Meeting Portal to submit their questions.</p> <p>The Q&A session served as an interaction between the Directors, Management and shareholders during the fully virtual meeting whilst the members in attendance in the proceedings of the 31st AGM could proceed to cast their votes via the Virtual Meeting Portal.</p> <p>This is in line with the SC's Guidance which provides that Members shall be allowed to cast their votes remotely and contemporaneously (live) during the proceeding of the general meeting.</p> <p>The poll results were verified by the Scrutineers, Sky Corporate Services, and were announced to the shareholders, corporate representatives and proxies present by displaying the results on the screen, as the Chairman declared that all resolutions were duly passed.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Minutes of the 30th AGM dated 16 June 2022, which were duly confirmed and signed by the Chairman of the AGM, together with the GCEO's presentation materials, MSWG's Q&A, Key Matters Discussed and the AGM results had been posted on Pos Malaysia's website: https://www.pos.com.my/investor-relations/annual-general-meeting on 14 July 2022, i.e. within 30 business days from the date of the 30th AGM.</p> <p>All questions that posed by the shareholders via the Boardroom Smart Investor Portal, had been checked and verified internally with the records after the 30th AGM, to ensure that all questions had been responded to during the meeting or via e-mail 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	:	

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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