

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (Board) of Boustead Holdings Berhad (BHB or the Company) believes that good corporate governance is testament of the Board's commitment to achieve the highest standards of professionalism. The Board strives to ensure that it is practiced throughout BHB and its subsidiaries (collectively referred to as the Group) as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and raise the performance of the Group.

This Corporate Governance Overview Statement sets out the principal features of BHB Group's corporate governance approach, summary of corporate governance practices during the year under review as well as key focus areas and future priorities in relation to corporate governance. The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia). Guidance was also drawn from Practice Note 9 of MMLR and the Corporate Governance Guide issued by Bursa Malaysia.

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report, based on a prescribed format as enumerated in Paragraph 15.25(2) of the MMLR so as to provide a detailed articulation on the application of the Group's corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance (MCCG). The Corporate Governance Report is available on the Group's website at www.boustead.com.my as well as via an announcement on the website of Bursa Malaysia.

This Corporate Governance Overview Statement should also be read in tandem with the other statements in the Integrated Report namely, the Statement on Risk Management and Internal Control, Audit Committee Report, Risk Committee Report and Sustainability Statement.

OUR CORPORATE GOVERNANCE APPROACH

The Board of BHB is committed towards reinforcing its market position in the five core business areas of the Group, whilst remaining true to the Group's well-established corporate governance philosophies and values. The Board believes that a robust and dynamic corporate governance framework is essential to form the bedrock of responsible and responsive decision-making in the Group.

The Group's overall approach to corporate governance is to:

- 1 promote heightened accountability at the leadership level, namely Board and Senior Management;
- 2 adopt in substance the corporate governance enumerations and not merely in form;
- 3 conduct a thorough debate and rigorous enquiry process before establishing corporate governance systems, policies and procedures;
- 4 identify opportunities to drive the synergistic implementation of corporate governance systems, policies and procedures for improved strategic and operational decision making; and
- 5 find a balance in meeting the expectations of the different groups of stakeholders of the Group.

The Board forms the pivot of good governance in the Group. As such, it plays a leading role in steering effort to promote a meaningful and thoughtful application of good corporate governance practices. The Group regularly reviews its corporate governance arrangements and practices to ascertain that they reflect prevailing norms, market dynamics, emerging trends, developments in the regulatory framework and evolving stakeholder expectations.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

The Board is committed in ensuring that there is a strong and effective system of corporate governance in place to support the successful execution of the Group's strategies.

As a Group driven by its responsibility to shareholders and a broader group of stakeholders, good governance for BHB is imperative to its long-term success. The Board embraces transparency and accountability in the boardroom and promotes these critical components of governance throughout the Group.

An important role of corporate governance is to ensure sustainable long-term performance, maximise returns for stakeholders and create long-term economic value and growth.

As a manifestation of the Group's commitment towards sound corporate governance, the Group has benchmarked its practices against the relevant promulgations as well as the best practices in corporate governance.

During the year under review, BHB applied all the Practices encapsulated in MCCG 2021 except:

Practice 8.2

Disclosure of the top five Senior Management personnel's remuneration on a named basis in bands of RM50,000.

In line with the latitude accorded in the application mechanism of MCCG, the Company has provided explanations for the departures from the said practices supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of MCCG are available in the Corporate Governance Report.

CORPORATE GOVERNANCE FRAMEWORK

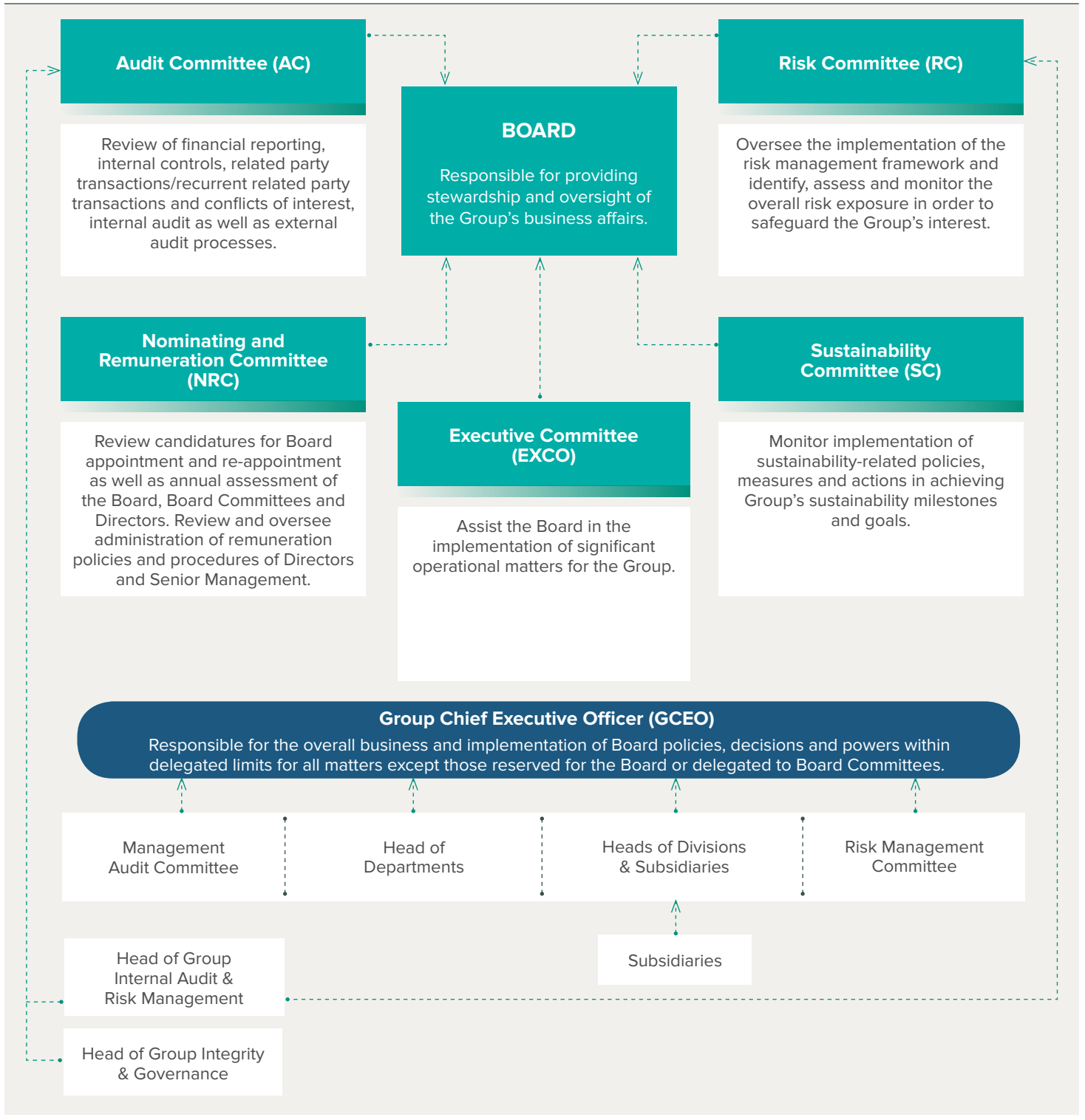
The Board discharges its responsibilities within a clear defined governance framework and robust mechanisms in place. Through this framework, the Board, without abdicating its responsibilities, delegates its governance responsibilities to key Committees of the Board and other Management Committees. The Board retains ultimate accountability and responsibility for the performance and affairs of the Company.

The Group's governance structure and practices create value for all its stakeholders by:

- 1 promoting the Company's future through sound sustainable practices;
- 2 building cogency through principled leadership;
- 3 securing the integrity and quality of financial reporting; and
- 4 ensuring good reputation with accountable behaviour.

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The table below illustrates the Group’s governance structure, an overview of the Board Committees and Management Committees:



THE BOARD CHARTER

The Board and the Board Committees are guided by a Board Charter and the respective Terms of Reference (TOR) which set out the ethos of the Board and the Board Committees as well as its structure and authority. The Board Charter is a primary document that elucidates on the governance of the Board, Board Committees and individual Directors.

Aside from setting out the governance structure, authority and TORs of the Board, Board Committees and Management, as well as clearly identifying their respective roles and responsibilities and what is expected of them in terms of commitment, the Board Charter sets out the issues and decisions reserved for the Board.

The Board Charter and the TORs of the Board Committees are made available on the BHB's website at www.boustead.com.my. The TORs of the AC, RC and NRC were last reviewed on 4 April 2022, 25 February 2020 and 2 December 2021 respectively.

BOARD'S ROLES AND RESPONSIBILITIES

The Board is collectively responsible for the overall leadership of the Group, meeting its objectives and goals and for promoting its long-term sustainability and success within a framework of prudent and effective controls.

In discharging its functions, the main roles and responsibilities of the Board are as follows:

- 1 To review, approve and monitor the strategic business plans, goals and key policies proposed by the Management;
- 2 To ensure that appropriate policies are in place, adopted effectively and regularly reviewed;
- 3 To review and approve financial statements;
- 4 To review and manage principal risks and adequacy of BHB's internal controls systems;
- 5 To ensure there is an appropriate succession plan for members of the Board and Senior Management; and
- 6 To ensure there is effective communication with stakeholders.

The Board safeguards stakeholder value creation and ensures that the strategic plan of the Group supports long-term value creation and includes strategies on environmental, social and governance (ESG) considerations, which in turn will strengthen the integration of sustainability in the Group's operations.

Together with Management, the Board promotes good corporate governance culture within the Group, ensuring honest and ethical leadership, prudent and professional behaviour in the conduct of its business and in all aspects of its business operations.

Prudent and effective controls make it possible for the Board to assess and manage emerging risks and opportunities continuously to ensure long-term sustainable development and growth.

The balance on the Board with the presence of Non-Executive Directors (NEDs) ensures that no individual or small group of Directors are able to dominate the decision-making process and that the interests of shareholders are protected. The Board considers each NED to be independent in character and judgement.

The Board is satisfied that each Director has devoted sufficient time to effectively discharge his/her responsibilities. The current composition of Directors has a blend of skills, experience and knowledge enabling them to provide effective oversight, strategic guidance and constructive challenge and decide on Management's proposals and empower the GCEO to implement strategies approved by the Board.

During the year under review, the Board deliberated on business strategies and critical issues concerning the Group, including its business plan, annual budget, significant acquisitions and disposals, financial results as well as key performance indicators.

BOARD MEETINGS AND ATTENDANCE

The Board meets at least four times a year with additional meetings convened as and when necessary. Relevant members of the Management attend Board meetings by invitation and report to the Board on matters pertinent to their respective areas of responsibility.

The Chairman and the Company Secretary ensure that Directors receive clear and timely information on all relevant matters. Board and Board Committee papers and reading materials are circulated at least five business days ahead of a meeting to ensure there is adequate time for the Directors to read, have an understanding of the subject matter, be prepared to deal with matters to be discussed at the meeting to enable the Board and Board Committees to make effective decisions. This facilitates a robust and informed discussion by the Board, ensuring that opportunities are given to all Directors to participate and contribute to an effective decision-making process.

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The Directors can access the Board papers online through a secured collaborative software and confer with other Board members and the Company Secretary electronically. The software eases the process of distribution of meeting papers and minimises leakage of sensitive and confidential information.

Presentations to the Board are prepared and delivered in a manner that ensures clear and adequate understanding of the subject matter. If there are any urgent matters or there are additional documents, the Management will take the Board through the documents for a more detailed explanation.

The Minutes of Board meetings accurately reflect the deliberations and decisions of the Board, including any dissenting views and if any Director had abstained from voting or deliberating on a particular matter.

All Directors have unrestricted access to the Management and the Company Secretary who is qualified to act as company secretary in accordance with Section 235 of the Companies Act 2016 (CA 2016). The Company Secretary acts as advisor to the Board particularly with regard to the Company's Constitution, policies and procedures and its compliance with regulatory requirements, codes, guidelines and legislations. The Company Secretary ensures that discussions and deliberations at the Board and Board Committee meetings are well documented and communicated to the relevant Management for appropriate actions.

All Directors complied with the minimum attendance requirement of 50% of Board meetings held during the year under review. The Directors' commitment in discharging their duties and responsibilities is affirmed by their attendance at the Board meetings held during the year under review. The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities.

The pandemic has changed the way the Board and the Management undertook their respective activities. Board and Board Committee meetings were carried out both online and by physical attendance of members during the year under review.

The Board conducted eleven meetings during the year under review. The Board meetings continued to be held via a hybrid meeting arrangement. Aside from Board meetings, urgent matters were also decided via Directors' Circular Resolutions which were signed by all Directors.

In discharging their responsibilities during Board and Board Committee meetings, the Board and Board Committees practice active and open discussions so as to ensure that opportunities are given to all Directors to participate and contribute to the decision-making process. Robust discussions and intense deliberations at these meetings ensure that the process of constructive and healthy dialogue is achieved.

Directors must immediately declare if they have any interest in transactions that are to be entered into directly or indirectly with the Company. They must disclose the extent and nature of their interest at a Board meeting or as soon as practicable after they become aware of the conflict of interest. They must abstain from participating in the deliberation and Board decision on the matter as he/she is an interested party.

Attendance of individual Directors at Board and Board Committee meetings during the year under review is shown below:

Director	Board	AC	RC	NRC	SC
Executive Director					
Dato' Sri Mohammed Shazalli Ramly ¹	7/10				
Izaddeen Daud ²	9/10				
Independent Non-Executive Directors					
Datuk Seri Mohd Redzuan Md Yusof ³	11/11				
Lieutenant General Dato' Fadzil Mokhtar (R)	11/11	6/6	4/4		2/2
Dato' Nonee Ashirin Dato' Mohd Radzi ³	11/11				2/2
Tan Sri Abu Bakar Haji Abdullah ⁴	4/4	3/3	3/3	5/5	
Dato' Seri Rosman Mohamed	11/11	6/6	1/1	8/8	
Pauline Teh @ Pauline Teh Abdullah	10/11	6/6	4/4		
Datuk Maulizan Bujang ⁵	8/11				1/2
Non-Independent Non-Executive Directors					
Senator Datuk Seri Hajjah Zurainah Musa ³	11/11			8/8	2/2
Dato' Ahmad Nazim Abd Rahman	10/11			8/8	
Muhammad Fitri Othman ⁶	1/1				

● Board/Board Committee Chairman

● Member

Note:

¹ Resigned with effect from (w.e.f.) 30 November 2022.

² Resigned as Deputy Group Managing Director w.e.f. 30 November 2022 and appointed as Group Chief Executive Officer w.e.f. 1 December 2022.

³ Resigned w.e.f. 10 January 2023.

⁴ Retired w.e.f. 16 June 2022.

⁵ Resigned w.e.f. 15 December 2022.

⁶ Resigned as an Alternate Director w.e.f. 1 December 2022 and appointed as Non-Independent Non-Executive Director w.e.f. 1 December 2022.

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BOARD COMMITTEES

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to Committees with their own TORs.

The Chairman of the Board is not a member of any Board Committee. The Chairman of all Committees will report to the Board on the decision or outcome of Committee meetings.

In delegating its authority to Board Committees, the Board does not abdicate its responsibility and exercises collective oversight at all times.

The reports of the AC, RC and SC are set out on pages 148 to 152 and 153 to 154 of this Integrated Report.

SEPARATE ROLES OF THE CHAIRMAN AND GCEO

There is clear delineation of roles of the Board and Management. The positions of the Chairman and GCEO are held separately by two individuals. The segregation ensures a clear distinction between the Chairman's responsibility to manage the Board and the GCEO's responsibility to manage the Company's business. Separation of the role of the Chairman and the GCEO is imperative as both roles have different expectations and serve distinct primary audiences.

The GCEO is the intermediary between the Board and the Management in driving the success of the Group's governance and management function. The GCEO implements the Board's policies and decisions towards meeting the Company's business objectives. The Chairman is responsible for leading and guiding the Board whilst maintaining the highest standard of governance. The Chairman also serves as the main link between the Board and Management, particularly between the Board and the GCEO.

INTEGRITY AND ETHICS

The Board is committed to a corporate culture that encompasses ethical conduct within the Group by adopting numerous policies which serve to achieve this commitment.

Integrity is a core value of the Group. The Board is cognisant of its responsibility to set the ethical tone for the Group. The Code of Ethics and Conduct, Whistleblowing Policy and Anti-Corruption Policy have been put in place to foster an ethical culture and allow legitimate ethical concerns to be escalated in confidence without any risk of reprisal. The Policies are reviewed periodically by the Board and published on the Group's website www.boustead.com.my.

BOARD COMPOSITION

As at the date of this Statement, the Board comprises five members, three of whom are Independent Non-Executive Directors (INEDs). Two of the five Board members are Non-Independent Non-Executive Directors (NINEDs). The composition of INEDs on the Board is above the requirement of the MMLR. The Board strives to ensure that it has an appropriate mix of skills, qualifications and experience to discharge its roles and responsibilities effectively. The Board, from time to time undertakes a review of its composition to determine areas of strengths and improvement opportunities.

The Board's size ensures that the purpose involvement, participation harmony and a sense of responsibility of the Directors are not jeopardised and that it achieves the correct balance to realise the Group's strategic objectives.

The Board believes that the current overall Board composition is adequate in terms of size, skills, experience, diversity of age and gender to ensure inclusiveness of views as well as to facilitate effective decision-making and constructive deliberations during meetings.

The Board has determined that the three INEDs are independent in line with the requirements of Paragraph 15.02 of the MMLR. All Board members are persons of high calibre and integrity with diverse professional backgrounds, sound knowledge and understanding of the Group's business.

The Board acknowledges that NEDs may hold external directorships and other business interests, which varied exposure will benefit the Company significantly. The Board annually reviews the declarations made by Directors on the number and nature of their external directorships that they hold as well as their assurances on time commitment in carrying out their duties and responsibilities to the Company. As at the date of this Statement, none of the Directors hold more than five directorships in any other public listed companies.

During the year under review, the Board saw changes made to its composition:

- i) The Board appointed Muhammad Fitri Othman as NINED, Irfan Hashim as Alternate Director to Dato' Ahmad Nazim Abd Rahman and Dayana Rogayah Omar as Alternate Director to Muhammad Fitri Othman on 1 December 2022.
- ii) The Board expressed its gratitude to the following Directors who had resigned:
 - Datuk Seri Mohd Redzuan Md. Yusof
 - Tan Sri Abu Bakar Haji Abdullah
 - Dato' Sri Mohammed Shazalli Ramly
 - Datuk Maulizan Bujang
 - Dato' Nonee Ashirin Dato' Mohd Radzi
 - Senator Datuk Seri Hajjah Zurainah Musa

Article 117 of the Company's Constitution further provides that at every Annual General Meeting (AGM) of the Company, one-third of the Directors shall retire from the Board by rotation. If eligible, such Directors may offer themselves for re-election.

Article 123 of the Company's Constitution further provides that any new Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office until the next following AGM and shall be eligible for re-election. The NRC, upon its evaluation has recommended for the re-election of the relevant Directors at the forthcoming AGM. The Directors have given their consent for the re-election.

Article 117

- Lieutenant General Dato' Fadzil Mokhtar (R)

Article 123

- Muhammad Fitri Othman

Appointments of the Board are made via a formal, rigorous and transparent process, premised on meritocracy. The Board considers the current composition of the Board, the tenure of each Director on the Board and evaluates the need to bring new skills and perspectives to the Board.

The Board takes into account objective criteria such as qualification, skills, experience, professionalism, integrity and diversity needed on the Board to help shape and steer the Group's strategic direction. In the case of the appointment of an INED, the Board assesses the candidate's ability to bring the element of detached impartiality and objective judgment to boardroom deliberations.

Overall, the Board is of the view that the Board comprises a good mix of members with diverse academic backgrounds to provide for a collective range of skills, expertise and experience which are relevant to support the growth and cope with the complexities of the Group's businesses.

The Board is satisfied that there is mutual respect among Directors contributing to a democratic environment that allows for constructive deliberations and a robust decision-making process.

BOARD CONDUCT

The Board commits itself and its Directors to ethical business and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

All Board members discharge their duties and responsibilities at all times as fiduciaries in the best interest of the Group. They act with integrity, lead by example, keep abreast of their responsibilities as Directors and of the conduct, business and development of the Group.

In directing or managing the Group's business and affairs, they exercise reasonable care, skill and diligence by applying their knowledge, skill and experience.

The Board ensures that key transactions or critical decisions are deliberated on by the Board in a meeting. The Board also ensures that decisions and basis for those decisions, including any dissenting views are made known and properly minuted.

MATTERS RESERVED FOR THE DECISION OF THE BOARD

The Board discharges some of its responsibilities directly and delegates certain responsibilities to its Committees to assist in carrying out its functions of ensuring independent oversight and stewardship.

The Board also delegates authority for the operational management of the Company's business to the GCEO for further delegation by him in respect of matters that are necessary for the effective day-to-day running of the Group's business.

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A clear schedule of Matters Reserved for the Board are reviewed periodically against industry best practices and corporate governance provisions and guidance. Below are matters reserved for the Board:

- 1 approval of strategic directions, plans and key policies;
- 2 approval of annual budgets, including major capital commitments and capital expenditure budgets;
- 3 approval of material acquisitions and disposition of assets not in the ordinary course of business;
- 4 key changes to management and control structure within the Company;
- 5 appointment of GCEO, Board members, Board Committee members and Company Secretary; and
- 6 any matters or transactions that fall within the ambit of the Board pursuant to the Companies Act, MMLR, the Company's Constitution or any other applicable laws and regulations.

DIVERSITY

Diversity is important to ensure that the Group remains relevant, resilient and sustainable in the rapidly transforming and evolving business environment. While it is important to promote diversity, the normal selection criteria of a Director based on an effective blend of competencies, skills, experience and knowledge in areas identified by the Board remains a priority.

The Board is committed to ensure that its composition not only reflects the diversity as recommended by the MCCG, as best as it can, it will also have the right mix of skills and balance to contribute to the achievement of the Group's goals.

The Board through the NRC, assesses the appropriate skills, experience, independence and diversity as part of its selection process. The NRC is empowered also to review and evaluate the composition and performance of the Board annually as well as assessing qualified candidates to occupy Board positions.

INDEPENDENCE

The Board recognises the important contributions that INEDs make to good corporate governance. All Directors, regardless of their independent status are required to act in the best interest of the Company and to exercise unfettered and independent judgement.

To date, all the INEDs satisfy the following criteria:

independent from Management and free from any other relationship which could interfere with their independent judgement or the ability to act in the best interests of the Company.

not involved in the day-to-day operations of the Company.

declared their interest or any possible conflict of interest in any matter tabled prior to the commencement of Board meetings.

Board decisions are made taking into account the views of the INEDs which carry substantial weight. They fulfil their roles in ensuring that strategies proposed by Management are deliberated and examined taking into account the interests of the shareholders and stakeholders.

In reviewing the independence of INEDs the NRC adopts a qualitative approach. This entails an assessment on whether they possess the intellectual honesty and moral courage to advocate professional views without fear or favour. The Board is cognisant of the rebuttable presumption that extended tenure leads to entrenchment. As such, the Board remains watchful for such indicators of entrenchment amongst long serving INEDs.

Upon completion of nine years as INED, an INED may continue to serve on the Board as a NINED. If the Board intends to retain an INED beyond nine years, it will provide justification and seek annual shareholders' approval through a two-tier voting process. In this regard, the Board will undertake a rigorous review to determine whether the 'independence' of the INED has been impaired.

BOARD EFFECTIVENESS EVALUATION

The Board Effectiveness Evaluation (BEE) is to evaluate the performance of the Board, Board Committees and individual members of the Board as well as identify any gaps or areas of improvement, where required.

The Board reviews its performance, the Board Committees and individual Directors on an annual basis based on a set of predetermined criteria deliberated by the NRC. During the year under review, the NRC deliberated and assessed the overall performance and effectiveness of the Board and Board Committees.

The Board through the NRC reviewed the outcome of the BEE and noted the findings and areas that required further improvements. The NRC is satisfied that the composition of the Board and Board Committees has fulfilled the criteria required and features the right blend of knowledge, experience and appropriate skills. The NRC is also of the view that the Board and Board Committees are committed to the highest standards of good governance and the Board continues to be considered as an excellent Board with satisfactory support from the Management. The findings of the evaluation for individual Directors will also be used as a basis for determining the re-election of Directors at the AGM of the Company.

OUR SUSTAINABILITY COMMITMENT

The Board together with the Management take responsibility for the governance of sustainability in the Company, including setting its sustainability strategies, priorities and targets. A designated senior employee is tasked to focus on the management of sustainability strategically, including integration of sustainability considerations in the Group's operations.

The Board acknowledges that our long-term success and continued relevance are dependent on the prosperity and trust of the communities we serve and the environment we operate in. Our financial outcomes are inexorably linked to our ability to manage Environmental, Social and Governance (ESG) risks and opportunities as much as we recognise that an inclusive society built on human dignity and the responsible use of human capital is essential for all of us to thrive. The Board ensures that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to all stakeholders.

The well-being of customers, employees and other stakeholders as well as the environment is crucial to sustaining our long-term performance. The Board factors in these sustainability considerations and ensures that the Group's strategies, priorities and targets are communicated to internal and external stakeholders. As such we incorporate ESG risks and opportunities into our business decisions given their heightened materiality in decision-making considerations of stakeholders. The Group considers the integration of ESG factors as a component of the Board's fiduciary responsibility, and accountable therefore to the oversight and management of sustainability.

Our sustainability agenda aims to make us more resilient to disruptions, flexible to change and accountable to the 'triple bottom line' of People, Planet and Profit. We view sustainability as an ongoing and rewarding journey which the Company is committed to continuously engage in and undertake.

Our Sustainability Statement for 2022 articulates our commitment to improving the Group's sustainability practices so that we are more competitive, more resilient and adaptable to change which has been reinforced amid the unprecedented challenges. The report sets out in detail the scope of our sustainability reporting and sustainability framework that addresses stakeholder expectations across various sustainability issues.

REMUNERATION

The Board has established a formal and transparent process in determining the appropriate remuneration package for the Board. The Board, with the assistance of the NRC, reviews the level of remuneration of Directors to ensure that it is sufficient to attract and retain the Directors needed to lead the Company to success. The level of remuneration reflects the experience and level of responsibilities undertaken by the Directors.

The NRC is also responsible to implement policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior-Management.

A review on the quantum and composition of NED's remuneration is undertaken once every four years.

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The details for the remuneration of Directors for the financial year ended 31 December 2022 for BHB and its Group of companies are as follows:

In RM'000	Group							
	Directors	Fees	Salaries	Bonuses	Retirement funds	Meeting, travelling and other allowances	Benefits in kind	Total
Executive Directors								
Dato' Sri Mohammed Shazalli Ramly ¹	–	2,608	600	417	–	17	3,642	
Izaddeen Daud ²	–	1,175	263	220	–	6	1,664	
Non-Executive Directors								
Lieutenant General. Dato' Fadzil Mokhtar (R)	171	–	–	–	44	–	215	
Dato' Seri Rosman Mohamed	182	–	–	–	51	–	233	
Dato' Ahmad Nazim Abd Rahman	270 [#]	–	–	–	47	–	317	
Pauline Teh @ Pauline Teh Abdullah	209	–	–	–	43	–	252	
Muhammad Fitri Othman ³	11 [#]	–	–	–	4	–	15	
Tan Sri Abu Bakar Haji Abdullah ⁴	92	–	–	–	23	–	115	
Datuk Maulizan Bujang ⁵	114	–	–	–	23	–	137	
Datuk Seri Mohd Redzuan Md Yusof ⁶	182	–	–	–	108	27	317	
Dato' Nonee Ashirin Dato' Mohd Radzi ⁶	164	–	–	–	35	–	199	
Senator Datuk Seri Hajjah Zurainah Musa ⁶	138	–	–	–	38	–	176	
Total	1,533	3,783	863	637	416	50	7,282	

Note:

¹ Resigned w.e.f. 30 November 2022.

² Resigned as Deputy Group Managing Director w.e.f. 30 November 2022 and appointed as Group Chief Executive Officer w.e.f. 1 December 2022.

³ Resigned as an Alternate Director w.e.f. 30 November 2022 and appointed as Non-Independent Non-Executive Director w.e.f. 1 December 2022.

⁴ Retired w.e.f. 16 June 2022.

⁵ Resigned w.e.f. 15 December 2022.

⁶ Resigned w.e.f. 10 January 2023.

[#] Fees are paid to Lembaga Tabung Angkatan Tentera.

In RM'000	Company							
	Directors	Fees	Salaries	Bonuses	Retirement funds	Meeting, travelling and other allowances	Benefits in kind	Total
Executive Directors								
Dato' Sri Mohammed Shazalli Ramly ¹	–	2,608	600	417	–	17	3,642	
Izaddeen Daud ²	–	1,175	263	220	–	6	1,664	
Non-Executive Directors								
Lieutenant General Dato' Fadzil Mokhtar (R)	171	–	–	–	44	–	215	
Dato' Seri Rosman Mohamed	167	–	–	–	50	–	217	
Dato' Ahmad Nazim Abd Rahman	134 [#]	–	–	–	23	–	157	
Pauline Teh @ Pauline Teh Abdullah	169	–	–	–	41	–	210	
Muhammad Fitri Othman ³	11 [#]	–	–	–	4	–	15	
Tan Sri Abu Bakar Haji Abdullah ⁴	67	–	–	–	21	–	88	
Datuk Maulizan Bujang ⁵	114	–	–	–	23	–	137	
Datuk Seri Mohd Redzuan Md Yusof ⁶	182	–	–	–	108	27	317	
Dato' Nonee Ashirin Dato' Mohd Radzi ⁶	134	–	–	–	31	–	165	
Senator Datuk Seri Hajjah Zurainah Musa ⁶	138	–	–	–	38	–	176	
Total	1,287	3,783	863	637	383	50	7,003	

Note:

- ¹ Resigned w.e.f. 30 November 2022.
- ² Resigned as Deputy Group Managing Director w.e.f. 30 November 2022 and appointed as Group Chief Executive Officer w.e.f. 1 December 2022.
- ³ Resigned as an Alternate Director w.e.f. 30 November 2022 and appointed as Non-Independent Non-Executive Director w.e.f. 1 December 2022.
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- [#] Fees are paid to Lembaga Tabung Angkatan Tentera.

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AUDIT COMMITTEE

The Audit Committee's (AC) role, amongst others, is to provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations.

The AC is chaired by an INED who is not the Chairman of the Board. All members of the AC are financially literate. The Chairman of the AC is an experienced accounting professional. The AC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the AC. The role of the AC and the number of meetings held during the year under review as well as the attendance record of each member are set out in the AC Report in this Integrated Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is cognisant that a robust risk management and internal control framework helps the Group to achieve its corporate objective. This is done by providing risk-related information which facilitate the formulation of the Group's strategies and decision-making. The Group has established policies and framework related to management of its business risks by adopting a Risk Management Policy. The Group Risk Management Department, reviews and maintains detailed risk registers which are updated quarterly. Key focus areas of risks are reported and deliberated at the RC meetings.

The Board through the RC reviews the effectiveness, adequacy and integrity of the risk management framework and internal controls system of the Group to ensure that significant risks faced by the Group are being managed appropriately to respond to the changes in the business environment.

The Board confirms that it has monitored the Company's risk management and internal controls system and that there is a process in place to identify, evaluate and manage the significant risks faced by the Company. The Company's system of internal financial control is primarily aimed at safeguarding the Company's assets, ensuring proper accounting records are kept, identifying and managing business risk and maintaining compliance with appropriate legislations and regulations.

The internal audit function is carried out by the Group Internal Audit Department (GIAD) of BHB. The GIAD reports directly to the AC and is independent of the activities which it audits. GIAD's authority, scope and responsibilities are governed by an Internal Audit Charter which is approved by the AC.

Further information on the Group's Risk Management and Internal Control framework is made available in the Statement on Risk Management and Internal Control of this Integrated Report.

COMMUNICATION WITH STAKEHOLDERS

Regular communication and engagement between stakeholders and the Group are critical for the sustainable growth of our business as this gives stakeholders a much better insight of the Group and facilitates mutual understanding of each other's expectations. As such we have consistently maintained an open dialogue with relevant stakeholder groups such as regulatory agencies, employees, shareholders, investors, consumers and general public, non-governmental associations, industry and trade associations and suppliers. Their views and concerns on the Company's business, its policies on governance, the environment and social responsibility are given due consideration in our decision-making process.

The protection of shareholders' and stakeholders' interests both in the short and long term is central to the way the Board operates. This has been the primary governing principle behind the Board's response to the pandemic. Its impact on all key stakeholders was always considered in Management's decisions. Effective engagement has been crucial in understanding the views of our stakeholders in order to make informed choices.

The Group upholds its commitment in ensuring transparent, accurate and timely communication with the shareholders and stakeholders to enable them to make informed decisions to their benefit.

The Group also places strong emphasis on timely and equitable dissemination of information to shareholders and stakeholders. The main modes of communication include the Integrated Report, quarterly results, announcements to Bursa Malaysia, Sustainability Report and its corporate website at www.boustead.com.my.

Enquiries with regard to investor relations matters of the Group can be made at ir@boustead.com.my.

CONDUCT OF ANNUAL GENERAL MEETING

The AGM is the principal forum of open dialogue with shareholders. The notice and agenda of AGM together with the proxy form are given to shareholders not less than twenty-eight days before the AGM. Each item of ordinary business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution.

During the AGM, the GCEO presented a comprehensive review of the Group's performance during the financial year. There was active engagement between the Board and shareholders and there was opportunity for shareholders to have real-time interaction with the Board and the GCEO. Questions which were posed by shareholders were responded to.

Answers to the queries by Minority Shareholders Watch Group (MSWG) prior to the AGM were also shared with the shareholders on the AGM day. Summary of the key matters discussed at the AGM is published on the Group's website, www.boustead.com.my.



The 61st AGM
of the Company will be held on
15 June 2023

FOCUS AREAS ON CORPORATE GOVERNANCE

The Board is committed towards continuous enhancement of governance practices throughout the Group. In 2022 the Group embarked on the following activities:

1 Independence of the Board

It is acknowledged that having objectivity in the boardroom extends beyond quantitative measures such as number of independent directors and their respective tenures. In order to harness the collective wisdom from greater participation of INEDs, INEDs have access to key gatekeepers of the Group such as external and internal auditors to discuss or share concerns about the Group and exchange views on potential improvements in governance.

2 Boardroom Diversity

The Board recognises the importance of diversity in averting “groupthink” and “blindspots” in the deliberation and decision-making process. Recognising gender as a key facet of the various diversity dimensions, the Board is committed to developing a corporate culture that also embraces the aspect of gender diversity.

3 Professional Development of Directors

During the year under review, Directors were accorded with a host of opportunities to develop and maintain their skills and knowledge. Directors attended various training programmes to keep themselves abreast of changes in legislative promulgations and industry practices. The Board, through the NRC was satisfied with the type of programmes attended by each Director during the year to enhance their knowledge and performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The training programmes that were attended by the Board members during the year under review are outlined below:

Name	Programme Title and Organiser	Date(s)
Independent Non-Executive Directors		
Lieutenant General Dato' Fadzil Mokhtar (R)	<ul style="list-style-type: none"> Audit Oversight Board Conversation with Audit Committees (Securities Commission Malaysia (SC)) Seminar on Defence Science, Technology and Innovation 2022 (Science & Technology Research Institute for Defence) Seminar on Building a Company of Integrity (Malaysia Institute of Corporate Governance) Inflation, Looming Recession & Climate Change: A Tricky Balancing Act? (Asia School of Business (ASB)) Boustead Holdings Berhad (BHB) Board Retreat 2022 (Management of BHB) Audit Oversight Board Conversation with Audit Committees (SC) 	7 April 2022 27 to 28 September 2022 30 September 2022 7 November 2022 18 to 20 October 2022 17 November 2022
Dato' Seri Rosman Mohamed	<ul style="list-style-type: none"> Let's Talk with Tan Sri Nazir Razak - Towards a Better Malaysian Political Economy (Persatuan Pedagang dan Pengusaha Melayu Malaysia) 18th Malaysia International Halal Showcase (Malaysia External Trade Development Corporation) Boustead Digital Services Sdn Bhd (BDS) Board Retreat 2022 (Management of BDS) BHB Board Retreat 2022 (Management of BHB) BHB Integrity Day (Management of BHB) 	4 July 2022 7 to 10 September 2022 26 September 2022 18 to 20 October 2022 24 November 2022
Pauline Teh @ Pauline Teh Abdullah	<ul style="list-style-type: none"> Audit Oversight Board Conversation with Audit Committees (SC) Islamic Finance for Board of Directors Programme (International Centre for Education in Islamic Finance through ISRA Consulting) Financial Institutions Directors' Education Programme (ASB) BDS Board Retreat 2022 (Management of BDS) Boustead Technology Sdn Bhd (Boustech) Board Retreat 2022 (Management of Boustech) BHB Board Retreat 2022 (Management of BHB) Capital Market Director Programme for Fund Management (Securities Industry Development Corporation) 	7 April 2022 3 to 4 August 2022 30 August 2022 26 September 2022 12 October 2022 18 to 20 October 2022 2 December 2022

Name	Programme Title and Organiser	Date(s)
Non-Independent Non-Executive Directors		
Dato' Ahmad Nazim Abd Rahman	<ul style="list-style-type: none"> International Sustainable Energy Summit 2022 (Sustainable Energy Development Authority) International Directors Summit 2022 (Institute of Corporate Directors Malaysia) Lembaga Tabung Angkatan Tentera (LTAT) mini Teambuilding 2022 (LTAT) 	29 to 30 August 2022 26 to 28 September 2022 16 December 2022
Muhammad Fitri Othman	<ul style="list-style-type: none"> Bursa Malaysia: Mandatory Accreditation Programme (ICDM) BHB Board Retreat 2022 (Management of BHB) 	15 to 17 March 2022 18 to 20 October 2022

CORPORATE GOVERNANCE PRIORITIES (2023 AND BEYOND)

The Board recognises that there are always opportunities for improvement in its corporate governance activities in order for the Group to continue to engender trust and confidence amongst stakeholders. The Board has identified the following set pieces on its horizon that will help it to achieve its corporate governance objectives:

YEAR 2023 - 2024



Board Diversity

In fostering gender diversity, the Board endeavours to establish and formalise a diversity policy, set targets, measures and annually assess both the targets and the progress in achieving them.

Presently, the Company has one female Director. Any appointment shall always be in the best interest of the Company.

LONG-TERM PLAN



Sustainability Reporting

BHB aims to leverage its existing qualitative sustainability indices and adopt a more mature form of sustainability reporting. The Board will set the direction for Management to establish necessary systems and controls with the presence of quality non-financial data that will support the development of such forms of reporting. BHB will also actively engage stakeholders to formalise a better understanding of what is expected and desired from its sustainability reporting.