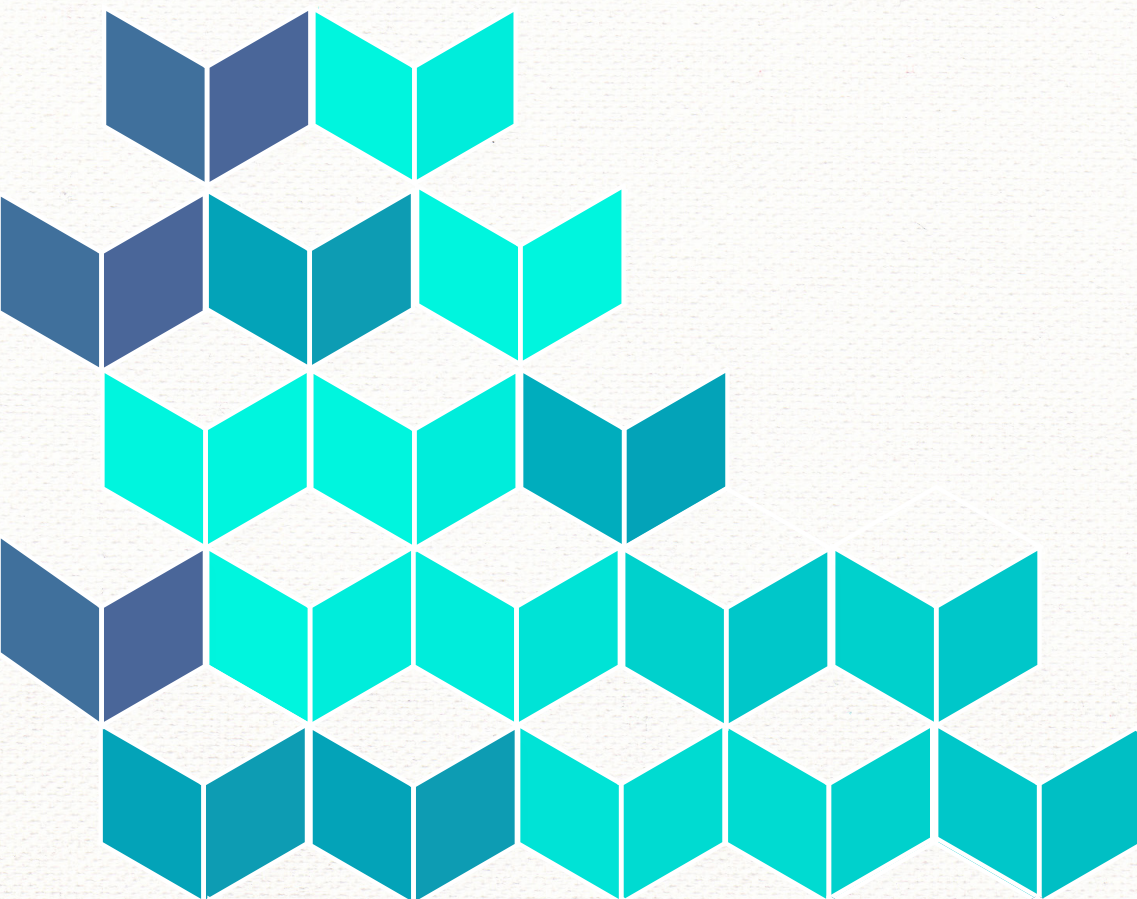




**Suruhanjaya Sekuriti**  
Securities Commission  
Malaysia

# CORPORATE GOVERNANCE MONITOR 2025



# **CORPORATE GOVERNANCE MONITOR 2025**

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This report aims to provide a general understanding of the subject and is not an exhaustive write-up. It is not intended to be a substitute for legal advice, nor does it diminish any duty (statutory or otherwise) that may be applicable to any person under existing laws.

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## 1.0 INTRODUCTION

The Corporate Governance Monitor 2025 (CG Monitor 2025) provides an update on the adoption of the Malaysian Code on Corporate Governance 2021 (MCCG 2021) by public-listed companies (PLCs) based on disclosures in their Corporate Governance Reports (CG Reports). The 2025 edition of the CG Monitor looks at adoption of the MCCG, based on information in CG Reports issued for financial year ending 2024. It includes adoption heatmaps of the MCCG 2021 as well as board data as of 1 October 2025.

This year's edition of the CG Monitor also features a section that highlights the progression of MCCG 2021 adoption, tracking progress from its introduction in 2021 to current implementation levels.

### Data Coverage

1. **Board Data** (*source: Securities Commission Malaysia (SC)*)

- 2025: As of 1 October 2025
- 2024: As of 31 December 2024

2. **MCCG Adoption** (*source: Collaboration between the SC and Minority Shareholders Watch Group (MSWG)*)

The data and observations on the adoption of the MCCG are based on information in CG Reports of the following PLCs:

- For FYE 2024: 957 PLCs with CG Reports published by 30 June 2025.
- For FYE 2023: 926 PLCs with CG Reports published by 30 June 2024.

## 2.0 BOARD DATA

**Table 1: Number of PLCs<sup>1</sup>**

Year	Total PLCs
2025	1,052
2024	1,027

**Table 2: Board of Directors**

	2025		2024	
<b>Individual Directors</b>	<b>5,849</b>		<b>5,678</b>	
Male	4,221	72%	4,161	73%
Female	1,628	28%	1,517	27%

**Table 3: Board Positions**

	2025		2024	
<b>Board Positions</b>	<b>7,355</b>		<b>7,161</b>	
Executive	2,341	32%	2,247	31%
INED*	3,815	52%	3,714	52%
NINED**	1,199	16%	1,200	17%

\* Independent Non-Executive Director    \*\* Non-Independent Non-Executive Director

As of 1 October 2025, there are 5,849 individual directors serving on 7,355 board positions across 1,052 PLCs, a year-on-year increase of 171 directors and 194 board positions. Women account for 1,628 directors, a 7% increase from 31 December 2024, while male directors increased by 1% over the same period. Independent non-executive directorships remain at 52% of all board seats, indicating a strong independent presence across PLCs.

<sup>1</sup> Main Market listed companies and ACE Market listed companies.

**Table 4: Appointment and Reappointment of Directors**

2025									
	Total	Male	Female	Reappointment	Male	Female	New Appointees <sup>2</sup>	Male	Female
Executive	<b>234</b>	197	37	53	48	5	<b>181</b>	149	32
INED*	<b>496</b>	272	224	178	91	87	<b>318</b>	181	137
NINED**	<b>163</b>	126	37	79	67	12	<b>84</b>	59	25
TOTAL	<b>893</b>	595	298	310	206	104	<b>583</b>	389	194
2024									
	Total	Male	Female	Reappointment	Male	Female	New Appointees <sup>2</sup>	Male	Female
Executive	<b>361</b>	299	62	123	109	14	<b>238</b>	190	48
INED*	<b>653</b>	380	273	236	137	99	<b>417</b>	243	174
NINED**	<b>219</b>	186	33	100	90	10	<b>119</b>	96	23
TOTAL	<b>1,233</b>	865	368	459	336	123	<b>774</b>	529	245

\* Independent Non-Executive Director    \*\* Non-Independent Non-Executive Director

In 2025, there were 893 board appointments and re-elections, compared with 1,233 in 2024. INEDs continued to form the majority of appointments at 496 (56%) (2024: 53%), followed by Executive Directors at 234 (26%) and NINEDs at 163 (18%). New appointees accounted for 583 (65%) of all appointments in 2025 (2024: 774; 63%).

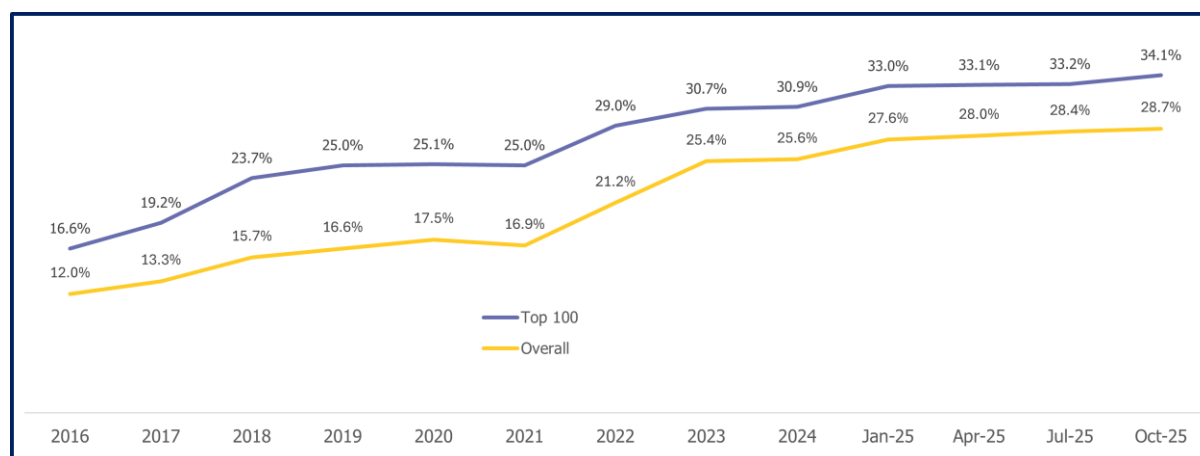
The gender mix continued to strengthen across all categories. Women comprised 298 (33%) of total appointments (2024: 30%) and 194 (33%) of new appointees (2024: 32%). By category, women constituted 45% of INED appointments (2024: 42%) and 43% of new INEDs (2024: 42%). Among Executive Directors, women accounted for 18% of new appointees (2024: 20%), while among NINEDs, the proportion rose to 30% (2024: 19%).

Overall, board appointment volumes have normalised in 2025, compared to 2024 where the surge was driven by the implementation of the 12-year tenure limit for INEDs and new company listings. Board renewal remains active, led primarily by INEDs, while female representation continues to rise, particularly among INED and NINED positions. This reflects steady progress toward greater diversity on boards.

<sup>2</sup> New appointees are directors that are appointed to the board for the first time and have not previously held board positions in other PLCs.

## Participation of Women on Boards

**Chart 1: Percentage of women on the boards of Malaysian PLCs**



**Table 5: Statistics on Women on Boards**

	PLCs with at least one woman on board	PLCs with all-male boards		≥30% WOB		≥50% WOB	
		All PLCs	Top 100	All PLCs	Top 100	All PLCs	Top 100
2025	1,044	8	0	472	70	76	8
2024	1,017	10	0	419	65	65	8

**Table 6: Board Positions Held by Women Directors**

Board Positions	2025		2024	
	2,112		1,965	
Executive	395	19%	375	19%
INED*	1,484	70%	1,373	70%
NINED**	233	11%	217	11%

\* Independent Non-Executive Director    \*\* Non-Independent Non-Executive Director

Participation of women on boards has continued to increase. Since 2016, representation among the top 100 PLCs and across all PLCs has risen by 18% and 17%, respectively. In 2025, 99% of PLCs (1,044 of 1,052) have at least one-woman director, while 472 PLCs (45%) have achieved 30% WOB or more. Among the Top 100 PLCs, 70 have reached the 30% threshold, leaving 30 below the marker.

A number of 'singles' boards, those with exactly one-woman director, remain. While a single appointment may meet the Bursa Malaysia Listing Requirements (and, on smaller boards, even reaching the 30% threshold), boards should assess whether their composition provides sufficient depth, diversity of perspectives and committee coverage to support robust challenge and decision-making.



There are eight PLCs with all-male boards (down from 10 in 2024), largely due to recent resignations. Under the Listing Requirements, PLCs must fill vacancies that cause non-compliance within three months; these companies are being monitored to ensure timely rectification.

Women now hold 2,112 board seats (up from 1,965 in 2024), comprising 19% Executive Directors, 70% INED, and 11% NINED. The strong INED presence signals meaningful contributions to board oversight. Going forward, boards are encouraged to broaden pathways into executive and committee-chair roles to deepen the pipeline and impact.

## Board Chairman

**Table 7: Statistics on Chairman**

	2025		2024	
<b>PLCs with named Chairmen</b>	<b>981</b>		<b>931</b>	
<b>Chairmen</b>	<b>982</b>		<b>933</b>	
Male	900	92%	866	93%
Female	82	8%	67	7%

**Table 8: Directorate of Chairman**

	2025		2024	
Executive	260	26%	259	28%
INED*	479	49%	451	48%
NINED**	243	25%	223	24%

\* Independent Non-Executive Director \*\* Non-Independent Non-Executive Director

**Table 9: Tenure of Chairman**

	2025	2024
Average	6	5
Longest	51	50

**Table 10: Chairman who are also CEO**

Year	Number of Chairman/CEO
2025	35
2024	31

The trend toward diversity and independence is reflected in board leadership. As of 1 October 2025, 981 PLCs have a named Chair (982 chairs in total, with one PLC having a co-chair). The number of women Chairs rose to 82 (8%) from 67 (7%) in 2024. By directorate, INED

representation among Chairs increased from 48% in 2024 (451) to 49% in 2025 (479), reflecting a modest shift toward greater independence.

Average Chair tenure is 6 years, with the longest-serving Chair at 51 years (the individual is the founder of the company and has served as Executive Chairman since before the company's Bursa Malaysia listing in 1993). Separation of Chair and CEO roles remains the norm, though 35 PLCs continue to combine the roles (2024: 31). Where authority is concentrated in executive Chairs, boards are encouraged to maintain strong counterbalances, such as majority-independent committees and a designated Senior or Lead INED, to safeguard effective oversight and decision-making.

## Long-Serving Independent Directors

**Table 11: Independent Directors with Tenure of More than Nine Years**

	2025	2024
Directors	134	138
PLCs	116	114

**Table 12: Voting Method of Long Serving Independent Directors**

		Number of Directors		Two-Tier		Simple Majority	
		2025	2024	2025	2024	2025	2024
Between 10 to 12 Years	Directors	134	136	67	100	17	28
	PLCs	116	114	55	85	15	26
Between 13 to 20 Years	Directors	0	2	0	1	0	1
	PLCs	0	2	0	1	0	1

Closely linked to board renewal is the tenure of long-serving INEDs. In 2025, there were 134 long-serving INEDs (tenure >9 years) across 116 PLCs, slightly down from 136 INEDs across 114 PLCs in 2024. All long-serving INEDs now fall within the 10 - 12-year tenure bracket.

The use of the two-tier voting mechanism has declined, from 100 directors in 2024 to 67 in 2025, while simple-majority reappointments also decreased from 28 to 17. This pattern suggests that many boards continue to retain INEDs up to the 12-year limit, with fewer two-tier resolutions being tabled than expected. Boards are encouraged to maintain focus on succession and renewal, and to consistently apply minority-protective mechanisms where tenures exceed nine years, to uphold board independence and maintain investor confidence. Continued emphasis on succession and renewal, and consistent application of minority-protective mechanisms where tenures exceed nine years, remain important to sustain board independence and investor confidence.

### 3.0 ADOPTION OF THE MCCG

The CG Monitor 2025 shows continued upward momentum in the adoption of MCCG 2021, with many core practices now embedded across PLCs (*see Figure 1*). Out of the 48 MCCG best practices, 33 have an adoption level of 90% and above.

The data also highlights a smaller set of practices that remain slower to progress, typically those requiring behavioural and cultural change (such as Practice 5.9 on board comprising 30% women directors), more transparent disclosures (such as Practice 8.2 and Step Up Practice 8.3 on senior management remuneration), or specialised oversight structures (such as Step Up Practice 10.3 on dedicated risk committee). This pattern underscores where guidance can be clarified and where practical support may accelerate adoption.

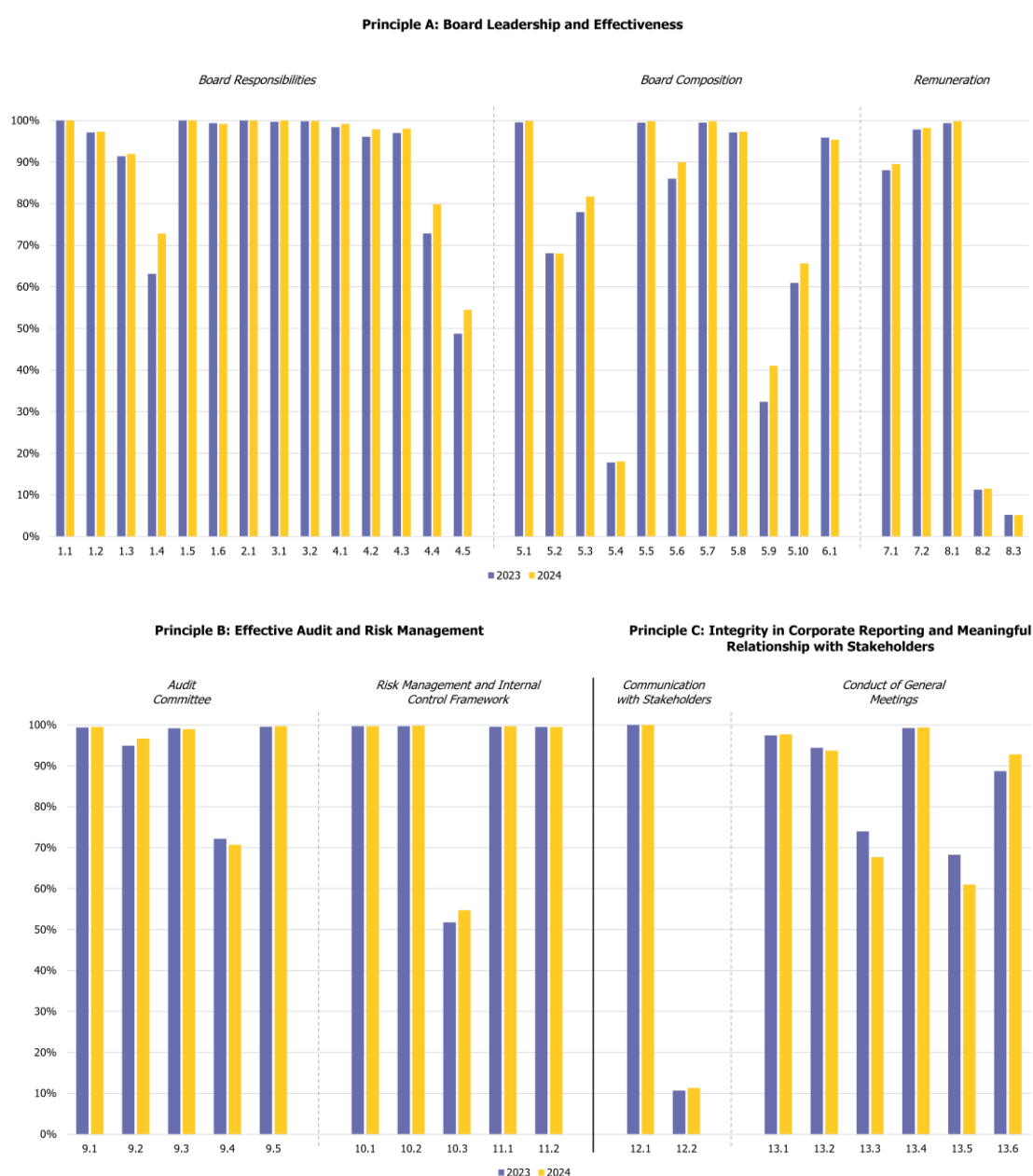


Figure 1 Adoption of MCCG

### *Involvement of Chairman in board committees*

One notable improvement is the adoption of Practice 1.4 which recommends that the Chairman should not serve on the Audit, Nomination or Remuneration Committee. Adoption has increased to 72.8%, compared with 63.1% in the previous reporting cycle. This reflects greater recognition of checks-and-balances and the mitigation of self-review risk. Companies that still depart from this practice commonly cite the challenge of transitioning the Chairman from these roles and the need for a gradual adjustment to ensure continuity. They also emphasise the Chairman's expertise and substantive contributions to committee discussions, noting that this supports effective decision-making without compromising objectivity.

### *Sustainability*

Sustainability-related practices (Practices 4.1 - 4.5) continue to strengthen, with boards and management formalising oversight and keeping abreast of national reporting expectations. Practice 4.4, which recommends linking board and senior management evaluations to material sustainability risks and opportunities, remains a stretch. Companies report challenges in defining measurable, strategy-linked KPIs and in accessing data and capability. Capacity-building initiatives are already underway under the National Sustainability Reporting Framework (NSRF)'s initiative, PACE (Policy, Assumptions, Calculators and Education). These initiatives aim to support companies in establishing credible metrics and processes over time, and report them. Step Up 4.5 which recommends a dedicated sustainability lead at management level, has seen moderate improvement, though some companies still perceive it as applicable only to large companies. Moving forward under the NSRF, companies will be required to disclose their governance structure responsible for sustainability oversight.

### *Remuneration disclosures of senior management*

Disclosure of senior management remuneration remains a lagging area. While more companies now report the top five executives' remuneration in bands (Practice 8.2), improvement is marginal, and fewer progress to named disclosure of all senior management (Step Up 8.3). Boards cite concerns about confidentiality, poaching risk, and the absence of standardised formats. Companies should commit to providing greater transparency to shareholders and investors, starting with consistent adoption of banded disclosures, clearer narratives on remuneration policy, and explicit links between performance and remuneration packages. This lays the foundation for eventual named disclosure. The underlying expectation is that investors receive comparable, decision-useful information, even where naming is not yet adopted.

### *Risk Management Committee*

Step Up 10.3, which calls for a dedicated Risk Management Committee with a majority of independent directors, remains under-adopted, as many PLCs continue to integrate risk oversight within the Audit Committee's purview. Boards cite limited availability of directors, meeting load, and the belief that a combined model is sufficient. However, with growing expectations on boards, a combined Audit and Risk Committee risks diluting focus and limiting time to address the increasingly complex risk landscape. Members of a combined committee must allocate time to review transactions (including related-party transactions), financial reporting processes, exposure to sustainability risks (e.g., physical and transition risks, scenario analysis), cybersecurity and other emerging technology risks, business continuity, disaster recovery, and more. While there is no one-size-fits-all model, companies need to reassess structures and make rational decisions to prevent exposure to material financial, reputational and regulatory risks.

### *Step Up Practices*

Finally, the CG Monitor highlights a recurring misconception that Step Up practices apply only to large companies. Step Up practices indicate the market's direction of best practice and are relevant to all PLCs on a proportionate basis. Where immediate adoption is not feasible, companies are encouraged to disclose credible transition plans, including scope, timelines, and interim measures, so that progress is visible and confidence in governance trajectories can build over time.

## 4.0 QUALITY OF DISCLOSURES

While overall disclosure quality remains satisfactory, the SC observed that the depth and consistency of disclosures continue to vary across companies. These observations represent general trends from the review and may not reflect the practices of all companies. Some companies provide detailed, decision-useful information, while others continue to offer more generic explanations. Companies should remain mindful that depth, clarity, and relevance are crucial for disclosures to effectively support informed decision-making.

### *Generic disclosures remain a concern*

Some companies continue to provide broad and generic statements that lack depth and detail. For instance, under Practice 6.1, the level of detail in the disclosure of board effectiveness evaluations varies across companies. Many reports provide limited detail on the evaluation scope, criteria, and outcomes, making it difficult for stakeholders to assess board performance or monitor follow-up actions. In some cases, companies merely state that annual evaluations were conducted, without further elaboration. By contrast, companies with stronger disclosures highlighted key findings and recommendations from the evaluation, including areas requiring board attention, demonstrating a higher standard of reporting.

### *Stronger justification needed for departures*

Disclosures on departures also fall short in some cases. For example, under Practice 1.4, which recommends that the board chairman should not sit on board committees, some companies simply note the departure without explaining the rationale, outlining the alternative measures taken to achieve the intended outcome, or disclosing the planned timeframe to adopt the practice. Good-quality disclosures should clearly articulate the reasons for departure, describe the mitigating measures implemented, and specify the company's commitment or timeline to adopt the practice, where applicable.

### *Compliance to Listing Requirements is not justification for departure of any of MCCG best practices*

Some companies cited compliance with the Listing Requirements as the basis for their departure from certain MCCG best practices, particularly those relating to board composition. For example, under Practice 5.2, which recommends a majority of independent directors, and Practice 5.9, which calls for at least 30% women directors, a number of companies stated that they met the Listing Requirements of one-third independent directors and at least one-woman director. While compliance to the Listing Requirements is mandatory, it should not be used as the reason for the departure of any of MCCG best practices, and companies must make further disclosures under Paragraph 3.2A of Practice Note 9 of the Listing Requirements.



## 5.0 SNAPSHOT OF MCCG 2021 ADOPTION OVER THE YEARS

This section presents the adoption of the MCCG 2021 over the period from 2021 to 2024. The number of PLCs covered each year varies due to differences in the timing of their CG Report issuance and the SC's release of the Corporate Governance Monitor. The number of PLCs assessed annually is summarised below:

- 2021: 466 PLCs
- 2022: 883 PLCs
- 2023: 926 PLCs
- 2024: 957 PLCs

*\* Not all PLCs were assessed in 2021 due to staggered adoption of MCCG 2021*

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS									
I. Board Responsibilities									
		2021		2022		2023		2024	
		Adoption	%	Adoption	%	Adoption	%	Adoption	%
<b>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.</b>									
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.	466	100.0%	882	99.9%	927	100.0%	957	100.0%
1.2	A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.	455	97.6%	853	96.6%	900	97.1%	931	97.3%
1.3	The positions of Chairman and CEO are held by different individuals.	436	93.6%	804	91.1%	847	91.4%	880	92.0%
1.4	The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.	263	56.4%	508	57.5%	585	63.1%	697	72.8%
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.	466	100.0%	883	100.0%	927	100.0%	957	100.0%
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.	463	99.4%	877	99.3%	921	99.4%	949	99.2%
<b>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.</b>									
2.1	The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies <ul style="list-style-type: none"> <li>• the respective roles and responsibilities of the board, board committees, individual directors and management; and</li> <li>• issues and decisions reserved for the board.</li> </ul>	466	100.0%	883	100.0%	927	100.0%	957	100.0%
<b>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.</b>									
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.	464	99.6%	880	99.7%	924	99.7%	957	100.0%
3.2	The board establishes, reviews and together with management implements policies and procedures on whistleblowing.	465	99.8%	882	99.9%	925	99.8%	956	99.9%
<b>The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.</b>									
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.	452	97.0%	859	97.3%	912	98.4%	949	99.2%

	Strategic management of material sustainability matters should be driven by senior management.								
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.	441	94.6%	832	94.2%	891	96.1%	937	97.9%
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.	455	97.6%	852	96.5%	899	97.0%	938	98.0%
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.	289	62.0%	595	67.4%	675	72.8%	764	79.8%
Step Up 4.5	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.	268	57.5%	417	47.2%	452	48.8%	521	54.4%

## II. Board Composition

		2021		2022		2023		2024	
		Adoption	%	Adoption	%	Adoption	%	Adoption	%
<b>Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.</b>									
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.	459	98.5%	879	99.5%	923	99.6%	956	99.9%
5.2	At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.	313	67.2%	609	69.0%	631	68.1%	651	68.0%
5.3	The tenure of an independent director does not exceed a 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.	318	68.2%	637	72.1%	723	78.0%	782	81.7%
Step Up 5.4	The board has a policy which limits the tenure of its independent directors to nine years without further extension.	103	22.1%	153	17.3%	165	17.8%	173	18.1%
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.	466	100.0%	880	99.7%	922	99.5%	955	99.8%
5.6	In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing directors, 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.	416	89.3%	756	85.6%	797	86.0%	861	90.0%
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.	438	94.0%	875	99.1%	922	99.5%	955	99.8%
5.8	The Nominating Committee is chaired by an independent director or the Senior Independent Director.	455	97.6%	859	97.3%	900	97.1%	931	97.3%
5.9	The board comprises at least 30% women directors.	119	25.5%	250	28.3%	300	32.4%	393	41.1%
5.10	The board discloses in its annual report the company's policy on gender diversity for the board and senior management.	288	61.8%	528	59.8%	565	60.9%	628	65.6%
<b>Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.</b>									
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 independent experts at least every three years, to facilitate objective and candid board evaluations	447	95.9%	847	95.9%	889	95.9%	913	95.4%

III. Remuneration									
		2021		2022		2023		2024	
		Adoption	%	Adoption	%	Adoption	%	Adoption	%
<b>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.</b>									
<b>Remuneration policies and decisions are made through a transparent and independent process.</b>									
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.	414	88.8%	771	87.3%	816	88.0%	857	89.6%
7.2	The board has a Remuneration Committee to implement its remuneration policies and procedures including reviewing and recommending matters relating to the remuneration of board and senior management.  The Remuneration Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.	459	98.5%	861	97.5%	907	97.8%	940	98.2%
<b>Stakeholders are able to assess whether the remuneration of directors and senior management commensurates with their individual performance, taking into consideration the company's performance.</b>									
8.1	There is detailed disclosure on named basis of the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.	462	99.1%	876	99.2%	921	99.4%	955	99.8%
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.	60	12.9%	91	10.3%	104	11.2%	110	11.5%
Step Up 8.3	Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.	30	6.4%	49	5.5%	48	5.2%	49	5.1%

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit Committee

		2021		2022		2023		2024	
		Adoption	%	Adoption	%	Adoption	%	Adoption	%
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.									
9.1	The Chairman of the Audit Committee is not the Chairman of the board.	464	99.6%	874	99.0%	921	99.4%	952	99.5%
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.	399	85.6%	823	93.2%	880	94.9%	925	96.7%
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.	457	98.1%	876	99.2%	919	99.1%	947	99.0%
Step Up 9.4	The Audit Committee should comprise solely of independent directors.	334	71.7%	637	72.1%	669	72.2%	677	70.7%
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.	465	99.8%	880	99.7%	923	99.6%	954	99.7%

### II. Risk Management and Internal Control Framework

		2021		2022		2023		2024	
		Adoption	%	Adoption	%	Adoption	%	Adoption	%
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.									
10.1	The board should establish an effective risk management and internal control framework.	462	99.1%	879	99.5%	924	99.7%	954	99.7%
10.2	The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.	462	99.1%	880	99.7%	924	99.7%	955	99.8%
Step Up 10.3	The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.	231	49.6%	441	49.9%	480	51.8%	524	54.8%
Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.									
11.1	The Audit Committee should ensure that the internal audit function is effective and able to function independently.	466	100.0%	882	99.9%	923	99.6%	954	99.7%
11.2	The board should disclose <ul style="list-style-type: none"><li>• whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;</li><li>• the number of resources in the internal audit department;</li><li>• name and qualification of the person responsible for internal audit; and</li><li>• whether the internal audit function is carried out in accordance with a recognised framework.</li></ul>	464	99.6%	881	99.8%	922	99.5%	952	99.5%

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. Communication with Stakeholders

		2021		2022		2023		2024	
		Adoption	%	Adoption	%	Adoption	%	Adoption	%
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.									
12.1	The board ensures there is effective, transparent and regular communication with its stakeholders.	466	100.0%	882	99.9%	927	100.0%	957	100.0%
12.2	Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.	89	19.1%	98	11.1%	99	10.7%	108	11.3%

### II. Conduct of General Meetings

		2021		2022		2023		2024	
		Adoption	%	Adoption	%	Adoption	%	Adoption	%
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at general meetings.									
13.1	Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.	428	91.8%	859	97.3%	903	97.4%	935	97.7%
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.	446	95.7%	845	95.7%	875	94.4%	897	93.7%
13.3	Listed companies should leverage technology to facilitate <ul style="list-style-type: none"><li>• voting including voting in absentia; and</li><li>• remote shareholders' participation at general meetings.</li></ul>	442	94.8%	743	84.1%	686	74.0%	648	67.7%
	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.								
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.	466	100.0%	878	99.4%	920	99.2%	951	99.4%
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.	416	89.3%	696	78.8%	633	68.3%	584	61.0%
13.6	Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.	372	79.8%	728	82.4%	822	88.7%	888	92.8%

#### Adoption Level

Green	≥80%
Amber	≥60% < 80%
Red	≥0% < 60%

## 6.0 GLOSSARY

Term	Definition
Corporate Governance Report	Under Paragraph 15.25(2) of the Bursa Malaysia Listing Requirements, a listed issuer is required to disclose the application of each practice set out in the MCCG during the financial year. The report must be announced together with the announcement of the company's annual report.
Company / Public-listed company (PLC)	Refers to a listed issuer on the Main Market and ACE Market of Bursa Malaysia.
Independent director	As defined under the Bursa Malaysia Listing Requirements, an independent director is a director who is independent of the management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the listed company.
Large companies	Companies or issuers on the FTSE Bursa Malaysia Top 100 Index or companies with market capitalisation of RM2 billion and above at the start of the companies' financial year.
Large shareholders	Means a person who – <ul style="list-style-type: none"><li>• is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the company;</li><li>• is the largest shareholder of voting shares in the company;</li><li>• has the power to appoint or cause to be appointed a majority of the directors of the company; or</li><li>• has the power to make or cause to be made, decisions in respect of the business or administration of the company, and to give effect to such decisions or cause them to be given effect to.</li></ul>
Listing Requirements	Refers to Bursa Malaysia Listing Requirements.
Step Up practice	A Step Up practice is meant to encourage companies to go a step further in strengthening their corporate governance practices. For example, the MCCG recommends boards to disclose the top five senior management remuneration in bands of RM50,000 (Practice 8.2) but if companies would like to excel further, the MCCG also recommends Step Up Practice 8.3 which encourages companies to fully disclose the detailed remuneration of each member of senior management on a named basis.



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Two-tier voting	Refers to a voting process to decide on the retention of a long-serving independent director with tenure of more than nine years. Under the two-tier voting process, shareholders' votes will be cast in two tiers: Tier 1 where only the Large Shareholder(s) of the company vote, and Tier 2 where shareholders other than Large Shareholders vote. The outcome of the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority will determine the outcome of the Tier 1 vote. The resolution is passed if both Tier 1 and Tier 2 votes support the resolution. However, the resolution is deemed to be defeated if the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.
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