

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8311
COMPANY NAME : Pesona Metro Holdings Berhad
FINANCIAL YEAR : December 31, 2025

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 ("the Board") is committed to upholding the highest standards of corporate governance in achieving the Group's objectives and long-term goals through its culture, strategy, values and governance practices.</p> <p>The Board provides stewardship over the Group's strategic direction and operations, ensuring that its strategies are aligned with the interests of shareholders and other stakeholders. The Board is primarily responsible for reviewing and adopting a sustainable strategic business development plan, overseeing the conduct of the Group's businesses, and evaluating whether the businesses are being properly managed.</p> <p>During the financial year ended 31 December 2025 ("FY2025"), the Managing Director and the Chief Operating Officer regularly updated the Board on the Group's business performance, particularly on the progress of construction projects undertaken by its subsidiary companies, as well as the challenges encountered and cost management efforts.</p> <p>To ensure the effective discharge of its function and responsibilities, the Board has delegated specific duties to its Board Committees, namely the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC"), each of which operates within its respective Terms of Reference, a copy of which is available on the Company's website.</p> <p>The principal roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company's website at www.pesona.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

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board is Mr Wie Hock Kiong, who is responsible for promoting good corporate governance practices, as well as ensuring effective leadership and the proper functioning of the Board. His duties include, amongst others, the following:-</p> <ul style="list-style-type: none"> (a) providing leadership to the Board to ensure that it performs its responsibilities effectively; (b) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner; (c) chairing Board meetings and discussions to ensures that decisions are made on a sound and well-informed basis; (d) encouraging active participation and allowing dissenting views to be freely expressed; (e) managing the interface between the Board and Management by acting as the primary conduit between them; (f) ensuring that appropriate steps are taken to facilitate effective communication with stakeholders and that their views are communicated to the Board as a whole; and (g) leading the Board in adopting and implementing good corporate governance practices within the Company. <p>The roles and responsibilities of the Board Chairman are clearly set out in the Board Charter of the Company.</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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of a clear division of powers and responsibilities between the Chairman and the Managing Director. The positions of Chairman and Managing Director are held by separate individuals, and their respective responsibilities are clearly defined in the Board Charter to ensure an appropriate balance of power, authority and accountability and that no individual has unfettered powers of decision-making and control.</p> <p>The position of Chairman is held by Mr Wie Hock Kiong, a Non-Independent Non-Executive Director, whilst the position of Managing Director is held by Mr Wie Hock Beng.</p> <p>The Chairman leads the Board and provide guidance to the Managing Director in the development and implementation of the Company's strategy, while ensuring the effective functioning of the Board in accordance with good corporate governance practices. The Managing Director, on the other hand, is primarily responsible for the effective execution of the Company's strategic plans and policies as approved by the Board, as well as overseeing the day-to-day management of the Group's operations. The Managing Director is expected to act within the specific authorities delegated by the Board.</p> <p>The roles and responsibilities of the Chairman and the Managing Director are clearly stated 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 1.4

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

<p><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></p>	
Application :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>The Chairman of the Board, Mr Wie Hock Kiong, currently serves as a member of the AC, NC and RC.</p> <p>Notwithstanding this, the Chairman has demonstrated objectivity and professionalism in discharging his duties during both Board and Board Committee meetings. He is not involved in the management or day-to-day operations of the Company. Save for the related party transactions disclosed in the Annual Report 2025, he does not have any other conflicts of interest with the Company.</p> <p>The Chairman continues to provide valuable insights, constructive feedback and independent views, as well as strategic guidance on areas for improvement to both the Board and the Board Committees of which he is a member.</p> <p>The Board acknowledges that the dual role of the Chairman as a member of the Board Committees may give rise to a potential risk of self-review and could impair objectivity when deliberating on matters presented by the Board Committees at Board meetings.</p> <p>To address this, the Board will review and restructure the composition of the Board Committees upon the appointment of additional Independent Directors.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by two suitably qualified Company Secretaries in the discharge of its functions. Both are Associate Members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>The Company Secretaries are responsible for the following:</p> <ul style="list-style-type: none">(a) attending Board, Board Committee and general meetings, and ensuring that the proceedings are accurately and properly recorded;(b) advising the Board on its roles and responsibilities, as well as on corporate disclosures and compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and other relevant laws and regulations;(c) keeping the Board informed of changes in statutory and regulatory requirements, as well as developments in corporate governance practices and legislations;(d) advising the Board on matters relating to the Company's Constitution, Board policies and procedures, statutory and regulatory requirements, and governance matters; and(e) maintaining the statutory records of the Company. <p>The roles and responsibilities of the Company Secretaries are clearly set out in the Board Charter of the Company.</p> <p>The Company Secretaries constantly keep themselves abreast of development in the capital market environment, regulatory changes and corporate governance practices by attending relevant conferences and training programmes. They have also fulfilled the continuous professional development programmes prescribed by the Companies Commission of Malaysia and/or MAICSA for practising company secretaries during FY2025.</p> <p>All Directors have ready and unrestricted access to the advice and services of the Company Secretaries. The Directors may also seek independent professional advice, where necessary, at the Company's expense, in furtherance of their duties and responsibilities, to enable them to make informed and independent decisions.</p>

	The appointment and removal of the Company Secretaries are matters reserved for the Board as a whole.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board meets at least four times a year to review and approve the Group's financial, operational and business performance. Additional meetings are convened as and when required.</p> <p>To facilitate effective planning, an annual meeting calendar is prepared and tabled in advance of each new financial year. The calendar provides Directors with the scheduled dates for meetings of the Board, Board Committees and the Annual General Meeting ("AGM").</p> <p>During FY2025, the Board and the AC each held five meetings, while the NC and RC each held one meeting.</p> <p>Prior to each meeting, all Board and Board Committee members are provided with the meeting agenda with adequate notice. Agenda papers, including minutes of previous meetings and relevant supporting information are circulated in a timely manner to allow sufficient time for Directors and Board Committee members to review, consider and, where necessary, seek clarification or obtain additional information on the matters to be deliberated.</p> <p>The Managing Director, the Chief Operating Officer and/or Senior Management present and brief the Board and/or Board Committees on key matters to facilitate informed discussion and deliberation.</p> <p>All pertinent matters discussed during Board and Board Committee meetings, including decisions made and conclusions reached, are properly recorded by the Company Secretaries. This includes instances where Directors abstain from deliberation and/or voting on specific matters, as well as any dissenting expressed. The minutes of meetings are circulated to all Directors for review prior to confirmation at the subsequent meeting.</p> <p>Between Board meetings, Board's decisions or approvals on urgent or administrative matters are obtained via circular resolutions, supported by the relevant information and explanations. The same procedure applies to the Board Committees.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is guided by its Charter, which serves as a primary reference document and forms part of the induction materials to ensure that all Directors are fully aware of their roles and responsibilities. The Board Charter sets out the Group's governance framework, including a formal schedule of matters reserved for the Board's consideration and decision. It also sets out the delegation of authority by the Board to its Board Committees, namely the AC, NC and RC.</p> <p>The Board Charter was last reviewed on 30 November 2022 and is available on the Company's website at www.pesona.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 board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has established a Directors' Code of Conduct & Ethics ("the Code"), which applies to Directors and employees of the Group. The Code sets out the Group's value and principles to guide standards of behaviour and business conduct in dealings with each other, shareholders and the stakeholders.</p> <p>The Code covers, among others, the working environment, protection of the company's assets, conflicts of interest, and prohibited activities or misconduct involving gifts, bribery, corruption and insider trading.</p> <p>In line with the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has reviewed, approved and adopted an Anti-Bribery and Corruption Policy, This policy provides guidance to Directors, employees and business associates acting on behalf of the Group on handling improper solicitation, bribery and other corrupt practices arising in the course of business.</p> <p>In addition, the Board has established a Conflict of Interest Policy to ensure that actual, potential and perceived conflicts are properly identified and managed. Directors are required to declare their interests in transactions with the Group and abstain from deliberation and voting on such matters at Board and general meetings. The AC reviews all related party transactions and conflict of interest situations within the Group that may affects its integrity.</p> <p>The Code, Anti-Bribery and Corruption Policy, as well as the Conflict of Interest Policy are available on the Company's website at www.pesona.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 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>The Board has established a Whistleblowing Policy, which sets out the governance and standards to promote an ethical, responsible and secure whistleblowing practice within the Group. It provides an avenue and structured mechanism for employees and members of the public to report concerns regarding fraud, malpractices, illegal acts or improper conduct without fear of reprisals or unfair treatment. The Whistleblowing Policy has been communicated to the employees to create awareness and encourage the reporting of concerns in good faith.</p> <p>Whistleblower may lodge reports directly to the Chairman of the AC.</p> <p>During FY2025, no whistleblowing report was received by the AC.</p> <p>The Whistleblowing Policy was last reviewed on 18 April 2024 and is available on the Company's website at www.pesona.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 4.1

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 Group is committed to operating in a responsible and sustainable manner that supports the delivery of long-term value to its stakeholders and the wider community, while contributing to environmental conservation.</p> <p>The Company's mission is to develop a sustainable future through its continuous efforts to drive progress across Economic, Environmental, Social and Governance ("EESG"). The Board is ultimately accountable for ensuring that sustainability is integrated into the Company's strategic direction and operations.</p> <p>A Sustainability Working Committee ("Committee"), established in 2018, reports to the Executive Committee ("EXCO") and subsequently to the Board. The Committee is responsible for developing sustainability initiatives within their respective areas of responsibility and ensures that sustainability targets are achieved through the consistent implementation of group-wide policies and best practices. These targets are closely monitored by the EXCO.</p> <p>The Company publishes its Sustainability Statement annually within its Annual Report. The Statement outlines the Group's ongoing sustainability efforts, targets and achievements for the financial year under review, as well as for the preceding three to five financial years, and highlights the Group's commitment to maintaining consistent and responsible EESG practices.</p> <p>The Sustainability Statement is included in the 2025 Annual Report and is available on the Company's website at www.pesona.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 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that stakeholder engagement is an integral component of corporate sustainability, serving as a platform to better understand the expectations and aspirations of stakeholders, and to drive improvements in areas that are significant and relevant to all parties.</p> <p>In communicating sustainability matters, the Company maintains close engagement with stakeholders through various channels, including progress meeting (fortnightly) with clients, client satisfaction survey upon completion of the project, regular meetings with authorities and regulators, staff engagement activities, toolbox meetings, weekly meetings with business partners (i.e. suppliers and sub-contractors), and general meetings with shareholders or investors. These engagements are conducted both physically and virtually to ensure that the Group's sustainability strategies and targets are effectively communicated.</p> <p>The Board also ensures that sustainability strategies, priorities and targets, as well as performance against these targets, are developed and monitored against a Sustainability Roadmap. This is undertaken following a careful review of outcomes from materiality assessments and engagements with key internal and external stakeholders.</p> <p>During FY2025, the Group adopted the following sustainability themes:</p> <ul style="list-style-type: none">i) Health & Safety;ii) Labour Practices;iii) Environment; andiv) Profitability. <p>To support sustainable growth, the Company continues to refine its core business strategies. A comprehensive description of the Group's sustainability strategies, priorities and targets, as well as performance against these targets, is set out in the 2025 Annual Report under the Sustainability Statement.</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>The Board continuously keeps itself abreast of, and develops a clear understanding of, the Group’s sustainability agenda and developments through formal training, regular updates, structured reading and discussions.</p> <p>In addition, the Management regularly updates the AC and the Board on the latest sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.</p> <p>In view of the increasing interest from stakeholders and regulators in sustainability-related matters, the Group will continue to engage with its stakeholders and seek further improvements in conducting its business in a more sustainable manner. The Board is also mindful of the need to stay abreast of evolving external trends and developments.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>Following the implementation of the Malaysian Code on Corporate Governance (“MCCG”), which emphasises the integration of Economic, Social and Governance (“ESG”) considerations and sustainability targets into performance evaluations, the Board has incorporated relevant ESG factors into the annual evaluation forms of the Board and Senior Management. These include considerations relating to the identification, management and oversight of the Group’s material sustainability risks and opportunities.</p> <p>The evaluation assesses both qualitative and, where applicable, quantitative aspects of ESG performance. The outcomes of the evaluation are used to identify areas for improvement and to enhance the effectiveness of the Board and Senior Management in driving the Group’s sustainability agenda.</p> <p>The Board will continue to refine the evaluation framework to ensure it remains aligned with evolving regulatory expectations and best practices.</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 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is responsible for recommending suitable candidates to the Board and assessing the appropriateness of the Board's composition to ensure that it is able to discharge its duties in an informed and conscientious manner.</p> <p>The NC is also tasked with reviewing and assessing the performance and contribution of retiring Directors including their compliance with the fit and proper criteria as set out in the Company's Fit and Proper Policy, which was adopted by the Board on 29 June 2022, prior to making recommendation to the Board for consideration.</p> <p>In considering the re-election of Mr Wie Hock Beng and Puan Salwa Binti Shamshuddin, the NC reviewed and assessed their performance, contribution and fit and proper declarations. Based on the assessment, the NC concluded that the retiring Directors met the fit and proper criteria set out in the Company's Fit and Proper Policy and had discharged their duties and responsibilities effectively throughout FY2025. Accordingly, the NC recommended their re-election at the 15th AGM of the Company to be held on 25 June 2026.</p> <p>The NC had also on 27 February 2026 conducted an annual assessment to evaluate the effectiveness of the Board, Board Committees and individual Directors for FY2025. Based on the assessment results, the NC was satisfied that the Board and Board Committees have the right mix of skills, professional background, knowledge and experience and the Directors (individually and collectively) had discharged their respective roles and responsibilities in a conscientious manner throughout FY2025.</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

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

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board currently comprises five (5) members, of whom three (3) are Independent Non-Executive Directors (“INEDs”), representing 60% out of the Board and forming the majority.</p> <p>The presence of the INEDs provides effective checks and balances, enabling objective and independent deliberation in the best interests of the Group, minority shareholders and stakeholders.</p> <p>All three (3) INEDs meet the independence criteria prescribed under the Listing Requirements.</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	:	None of the Independent Directors have served on the Board for a cumulative term exceeding nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of boardroom diversity and the value it brings to effective decision-making. The responsibility for identifying, assessing and recommending suitable candidates to the Board, as well as reviewing the composition and performance of the Board, has been delegated to the NC.</p> <p>In identifying candidates for directorship, due consideration is given to skills, knowledge, expertise, experience, professionalism, character, integrity, reputation, competence, time commitment and boardroom diversity (including gender diversity). For the appointment of Independent Directors, the NC also assesses the candidates' ability to discharge the responsibilities expected of an independent director.</p> <p>The Board, upon the recommendation of the NC, evaluates and approves the appointment of proposed candidate. The appointment of Senior Management is based on predetermined criteria, including relevant skill sets and experience.</p> <p>The Group operates in a traditionally male-dominated industry, which is reflected in the composition of its workforce. Nevertheless, the Board remains committed to promoting diversity within the organisation.</p> <p>Based on the annual assessment for FY2025, the Board concluded that the current Board composition reflects an appropriate mix of gender, skills, knowledge, expertise, experience, professionalism, integrity, competence and independence. The Board was also satisfied with the level of time commitment demonstrated by the Directors in discharging their roles and responsibilities. As at the date of this report, none of the Directors holds more than five (5) directorships in listed issuer, and no politician has been appointed to 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>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is guided by the principles set out under Practice 5.5 in assessing and recommending suitable candidates for the appointment to the Board and Senior Management.</p> <p>The NC also relies on the existing network and referrals from Directors, Management and major shareholders as a source for identifying potential candidates, as these represent a proven and effective method of sourcing high-calibre individuals with a sound understanding of the Group's business.</p> <p>There was no appointment of a new Director during FY2025.</p> <p>The procedures for the appointment of Directors are set out in the Terms of Reference of the NC, which is available on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>Shareholders were provided with detailed information on the Directors standing for re-election at the Company's 14th AGM held on 25 June 2025.</p> <p>Similarly, for the forthcoming 15th AGM to be held on 25 June 2026, shareholders are provided with detailed information on the Directors standing for re-election through the Board of Directors' Profile disclosed in the Company's Annual Report 2025.</p> <p>The Board had also provided in the Explanatory Notes to the Notice of the 15th AGM, a brief description of the two (2) retiring Directors, namely Mr Wie Hock Beng and Puan Salwa Binti Shamshuddin, including their interests, positions and relationships within or outside the Company (if any), as well as the Board's statement in supporting the NC's recommendation for their re-election. This enables shareholders to make informed decisions on the re-election of 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 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Puan Salwa Binti Shamshuddin, an Independent Non-Executive Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	As at 31 December 2025, the Board comprises two (2) female directors, representing 40% of the total Board composition.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board established a Diversity Policy on 30 November 2022, which includes provisions on gender diversity for Senior Management.</p> <p>The Board is supportive of gender diversity and remains committed to improving women participation at all levels of the organisation, including in appointments to the Board, Senior Management, as well as among officers and employees. This commitment is reflected in the current Board composition, where women represent 40% of the Board.</p> <p>The policy is available on the Company's website at www.pesona.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

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The NC is delegated by the Board to annually review the effectiveness of the Board and Board Committees, as well as the performance of individual Directors, through a formal assessment process facilitated by the Company Secretaries. Members of the NC and/or the Directors are required to complete a set of evaluation forms individually and/or collectively and the results are compiled by the Company Secretaries on a confidential basis.</p> <p>At the NC meeting, the NC reviews the summary of the assessment results and deliberates on areas for improvement and actions required, including the training needs of each individual Directors. Thereafter, the NC reports its findings to the Board and recommends the necessary actions to be taken. No external facilitator was engaged for the assessment during FY2025.</p> <p>The following criteria were used to assess the Board, Board Committees and individual Director for FY2025:-</p> <p>(a) Board and Board Committees' assessment</p> <ul style="list-style-type: none">● Board structure and composition;● Board functionality;● Boardroom conduct and activities;● Management/Management presentation including succession planning and the Company's initiatives in addressing material sustainability risks and opportunities;● Board skill sets; and● Overall Board effectiveness. <p>(b) Directors' self and peer assessment</p> <ul style="list-style-type: none">● Contribution to interaction;● Quality of input;● Understanding of roles; and

	<ul style="list-style-type: none"> • Individual skill sets. <p>(c) Independent Directors’ assessment</p> <ul style="list-style-type: none"> • Assessment against the criteria of Independence as prescribed under the Listing Requirements; • Compliance with the Company’s independence policies, as well as the ability to manage related party transactions and conflict of interest situations; and • Tenure of services as an Independent Director of the Company. <p>The feedback and inputs provided by the Directors in the evaluation forms were compiled by the Company Secretaries for deliberation at the NC meeting. The NC subsequently tabled the outcome of the assessment, together with recommended action plans to address areas for improvement, to the Board at its meeting held on 27 February 2026.</p> <p>Based on the annual assessment for FY2025, the Board concluded that it has an appropriate size, balance and composition, with a suitable mix of skills, experience and knowledge to support the Company’s performance and strategic objectives. The Board, Board Committees and individual Directors had discharged their duties and responsibilities effectively and contributed to the overall effectiveness of the Board and the Company. The Directors had also demonstrated strong commitment and had devoted sufficient time to responsibly fulfil their duties and responsibilities as Directors of 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 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 Company has adopted a Remuneration Policy and Procedures for Directors and Senior Management, which aims to attract, retain and motivate high-calibre individuals who are capable of effectively managing and driving the business of the Company.</p> <p>The RC is responsible for reviewing the remuneration packages of the Directors on an annual basis and making recommendations to the Board for approval. The Board then determines the remuneration of the Directors, with the interested Directors abstaining from deliberations and voting on their own remuneration. In reviewing and determining the remuneration packages of the Directors and Senior Management, consideration is also given to their ability to address the Company's material sustainability risks and opportunities.</p> <p>The fees and benefits payable to the Non-Executive Directors for the discharge of their duties are subject to approval by shareholders at the AGM.</p> <p>The remuneration of Senior Management is based on their respective roles and responsibilities. The review of Senior Management's remuneration packages falls under the purview of the Managing Director and is conducted annually, in line with the employees' annual performance appraisal and salary increment review.</p> <p>The Remuneration Policy and Procedures for Directors and Senior Management were last reviewed on 18 April 2024 and are available on the Company's website at www.pesona.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 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>The RC is chaired by Dr. Yong Mun Ching, the Independent Non-Executive Director. The Terms of Reference of the RC set out its authority and responsibilities in relation to the remuneration of the Board and Senior Management.</p> <p>The Director, who is also a shareholder of the Company, abstained from voting on the resolution pertaining to the approval of Directors' fees at the last AGM held on 25 June 2025.</p> <p>The Terms of Reference of the RC was last reviewed on 18 April 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The Directors did not receive any remuneration from the Company's subsidiaries, except for the Managing Director. The breakdown of the Directors' remuneration for FY2025 is set out in the following page.

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	Wie Hock Beng	Executive Director	0	0	0	0	0	0	0	0	0	720	240	16	115	1,091
2	Wie Hock Kiong	Non-Executive Non-Independent Director	120	4	0	0	0	0	124	120	4	0	0	0	0	124
3	Yeong Yok Hoong	Independent Director	96	4	0	0	0	0	100	96	4	0	0	0	0	100
4	Salwa Binti Shamshuddin	Independent Director	72	4	0	0	0	0	76	72	4	0	0	0	0	76
5	Dr. Yong Mun Ching	Independent Director	72	4	0	0	0	0	76	72	4	0	0	0	0	76

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>In order to preserve confidentiality, avoid any potential negative impact arising from such disclosure, and maintain a stable and harmonious working environment in support of the Group's long-term goals and strategies, the Company does not disclose the remuneration of the top five (5) Senior Management personnel on a named basis.</p> <p>As an alternative, the Company discloses the remuneration of Senior Management personnel in bands of RM50,000 in the Corporate Governance Overview Statement of the 2025 Annual Report.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
5								

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)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1								
2								
3								
4								
5								

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the AC is Mr Yeong Yok Hoong, while the Chairman of the Board is Mr Wie Hock Kiong.</p> <p>Having the positions of Board Chairman and Chairman of the AC held by different individuals allows the Board to objectively review the AC findings and recommendations.</p> <p>The AC Chairman is also able to provide full commitment and devote adequate time to review all matters within the scope of the AC's responsibilities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	In line with the recommendations of the MCCG, the Terms of Reference of the AC provides that a former key audit partner is required to observe a cooling-off period of at least three years before being appointed as a member of the AC, to safeguard the integrity and independence of the audit process. To-date, none of the AC members are former key audit partners of the external audit firm(s) of the Company or the Group.
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 AC is responsible for assessing the independence and effectiveness of the External Auditors in carrying out the audit, prior to recommending their re-appointment to the Board. The AC ensures that the independence and objectivity of the External Auditors are not compromised, in accordance with the criteria set out in the Company's Policy on External Auditors adopted in 2018.</p> <p>The AC has determined the types of non-audit services that are not permitted to be provided by the External Auditors, including those relating to strategic decision-making, internal audit, as well as policy and standard operating procedures documentation. The AC reviewed the nature and extent of non-audit services rendered by UHY Malaysia PLT, the External Auditors of the Company during FY2025 and concluded that such services did not compromise their independence and objectivity.</p> <p>In assessing the independence and effectiveness of the External Auditors for FY2025, the AC considered their resources, skills, knowledge, experience, independence and audit fees.</p> <p>Based on the annual assessment conducted on 27 February 2026, the AC was satisfied with the suitability and independence of the External Auditors. Accordingly, the Board has agreed to recommend the re-appointment of UHY Malaysia PLT as the External Auditors of the Company for shareholders' approval at the forthcoming 15th 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	:		
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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 members of the AC are financially literate and possess the requisite accounting or related financial management expertise.</p> <p>The AC members consistently apply a critical and probing perspective to the Company's financial reporting processes, transactions and other financial information, and effectively challenge Management's assertions on the Company's financial position during AC meetings.</p> <p>The AC members are encouraged to attend training programmes, workshops, seminars or briefings to keep abreast of relevant developments in accounting and auditing standards, enabling them to actively participate in AC deliberations. In addition, the AC receives periodic updates on new accounting standards from the Company's External Auditors.</p> <p>On 27 February 2026, the NC conducted an annual review of the term of office, competency and performance of the AC and its members via a combination of self and peer assessments using customised questionnaires. The results indicated that the AC had carried out its roles and responsibilities effectively. The AC possesses an appropriate level of knowledge, skills and experience, and has sufficient understanding of the Company's business to discharge its oversight responsibilities over the Group's financial reporting, risk management and internal control systems.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has established a sound risk management and internal control framework to identify and assess the risks faced by the Group. Risk management and internal control reports are presented to the AC on a quarterly basis and subsequently reported to the Board.</p> <p>The Board will continue to monitor and review the effectiveness and adequacy of the Group’s risk management and internal control framework to ensure that it remains robust and reliable.</p> <p>Further details are set out in the Statement on Risk Management and Internal Control in the Company’s 2025 Annual Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

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	:	The details of the Group's risk management and internal control framework, as well as the adequacy and effectiveness of the framework are set out in the Statement on Risk Management and Internal Control in the Company's 2025 Annual Report. For FY2025, the Board is of the view that the Group's system of internal control is adequate and effective. There were no material weaknesses identified that would result in any material loss or have a significant adverse impact on the Group's operations.	
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	:	Not Adopted
Explanation on adoption of the practice	:	

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 AC is responsible for monitoring and reviewing the effectiveness of the internal audit function. The Company has appointed Resolve IR Sdn Bhd to undertake the Group’s internal audit function on an outsourced basis.</p> <p>The Internal Auditors report independently and directly to the AC, adopting an objective and disciplined approach to evaluate and improve the effectiveness of the Group’s risk management, internal control, anti-corruption, whistleblowing and governance processes. The AC, together with the Internal Auditors, agrees on the scope of internal audit activities on an annual basis. Audit findings, together with recommendations for improvement and Management’s responses are reported to the AC on a quarterly basis.</p> <p>The Internal Auditors have unrestricted access to the AC, the Board and Management, as well as to the Group’s documents, records, properties and personnel.</p> <p>The AC was satisfied with the adequacy of the scope, functions, competency and resources of the internal audit functions for FY2025. Further details are set out in the AC Report of the 2025 Annual Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group’s internal audit function is outsourced to Resolve IR Sdn Bhd. The Engagement Executive Director is Ms Melissa Koay who has diverse professional experience in internal audit, risk management and corporate governance advisory. She is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms Melissa Koay is also a Certified Internal Auditor.</p> <p>The number of staff deployed for each internal audit review ranges from 3 to 5 personnel per visit, including the Engagement Director. The staff involved in the internal audit review possess professional qualifications and/or university degrees. The internal audit personnel on the engagement team are also free from any relationships or conflicts of interest, which could impair their objectivity and independence. All internal audit works were carried out in accordance with the International Standards for Professional Practice of Internal Auditing.</p> <p>A statement on the Internal Audit Function is set out in the Statement on Risk Management and Internal Control in the 2025 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of timely and effective dissemination of material information to shareholders and stakeholders. The Board ensures that shareholders are provided with a clear, balanced and meaningful assessment of the Company's financial performance and prospects through the audited financial statements, annual report, quarterly announcements, AGM and the Company's website. The Company's website features an Investor Relations section, which is accessible to the public and provides up-to-date information on the Group's business, corporate governance, sustainability initiatives and financial information.</p> <p>The Annual Report serves as the primary communication channel between the Company and its shareholders, providing comprehensive information on the Group's financial results and activities.</p> <p>The AGM is another key platform for communication with shareholders, enabling them to engage directly with the Directors and to raise feedback, views and concerns. The Board, External Auditors and Company Secretary are present at the AGM to respond to questions raised by shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board ensures that the notice of the AGM is despatched at least 28 days prior to the meeting.</p> <p>The Notice of the 14th AGM and the Annual Report were issued on 29 April 2025 for the AGM held on 25 June 2025.</p> <p>The 15th AGM is scheduled to be held on 25 June 2026. The Notice of the 15th AGM, together with the proxy form and administrative guide, were issued on 30 April 2026 and made available on the Company's website on 30 April 2026, which is more than 28 days prior to the AGM.</p> <p>Sufficient notice is given to shareholders to enable them to make the necessary arrangements to attend the Company's AGM. The notice of the AGM sets out the resolutions to be tabled at the meeting and is accompanied by explanatory notes and relevant background information, where applicable, to provide clarity on the matters to be decided at the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The 14th AGM was held physically at The Vertical, Connexion Conference & Event Centre, Kuala Lumpur on 25 June 2025. All Directors, the Chief Operating Officer, the Chief Financial Officer and the External Auditors were present to address queries raised by shareholders.</p> <p>Shareholders are encouraged to participate in the proceedings and to raise questions before the resolutions are put to vote. All issues and questions raised by shareholders pertaining to the Company's financial statements and business operations were addressed by the Board and/or Management.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The 14th AGM of the Company was conducted in a conventional manner with the physical presence of shareholders at The Vertical, Connexion Conference & Event Centre, Kuala Lumpur on 25 June 2025.</p> <p>Although the Company has not adopted any technology to facilitate remote shareholders' participation and voting in absentia at general meetings, voting of shareholders who physically attended the Company's AGM was conducted electronically.</p> <p>The Board has taken the necessary steps to provide shareholders with the opportunity to participate in general meeting by convening such meeting within the Klang Valley, which is easily accessible to shareholders.</p> <p>As all resolutions put to general meetings are voted by poll in accordance with Paragraph 8.29A of the Listing Requirements, shareholders who are unable to attend the general meeting may appoint any person(s) or the Chairman of the meeting as their proxies to attend, participate, speak and vote on their behalf.</p> <p>The Company acknowledges the recommendation under Practice 13.3 to leverage technology for remote shareholders' participation and voting. However, the Board is of the view that the current physical meeting format remains effective in facilitating direct engagement and interaction between shareholders, the Board and Management. The Board will continue to assess the feasibility and cost-benefit of adopting hybrid meeting platforms in the future, taking into consideration the Company's operational needs and shareholders' interests.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Chairman of the Board ensures that general meetings serve as an effective platform for meaningful engagement between the Board, Senior Management and shareholders.</p> <p>During the Company's 14th AGM, shareholders were given the opportunity to raise issues or questions. Sufficient time was allocated to address the questions posed by shareholders.</p> <p>Members of the Board and Senior Management, including the Chief Operating Officer and Chief Financial Officer, were present to provide responses to queries raised by shareholders.</p> <p>All questions raised by shareholders were addressed during the meetings to the best extent possible. The minutes of the 14th AGM, together with the responses provided, were published on the Company's website within 30 business days after the 14th 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 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Minutes of the 14 th AGM held on 25 June 2025, together with the responses to questions raised by the shareholders, were published on the Company’s website at www.pesona.com.my on 23 July 2025 i.e. within 30 business days after the general meeting.
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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