

Corporate Governance Overview Statement

The Board of Directors (the Board) of Heineken Malaysia Berhad (HEINEKEN Malaysia or the Company) is committed to upholding good business ethics and corporate governance (CG), as these are crucial for the long-term sustainability and performance of the Company and its subsidiaries (the Group). The Company supports the principles of good governance, and the recommended practices outlined in the Malaysian Code on Corporate Governance (MCCG).

The Board is pleased to present this statement to provide shareholders and investors with an overview of the CG practices applied by the Company during FY2024. This overview makes reference to the following key CG principles and the recommended practices set out in the MCCG and it should be read together with the Audit & Risk Management Committee Report, Statement on Risk Management and Internal Control, ESG Review and the Corporate Governance Report (CG Report) for FY2024 which are available on the Company's website <https://www.heinekenmalaysia.com/corporate-governance/>

Principle A

Board Leadership and Effectiveness

Principle B

Effective Audit and Risk Management

Principle C

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

As of the date of this statement, the Company has materially complied with the principles and adopted all recommended practices, including two step-up practices in the MCCG, except for the following:

Principle 1.4

Chairman of the Board should not be a member of the Nomination & Remuneration Committee

Principle 5.2

For Large Companies, the Board comprises a majority independent directors

Principle 8.2

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

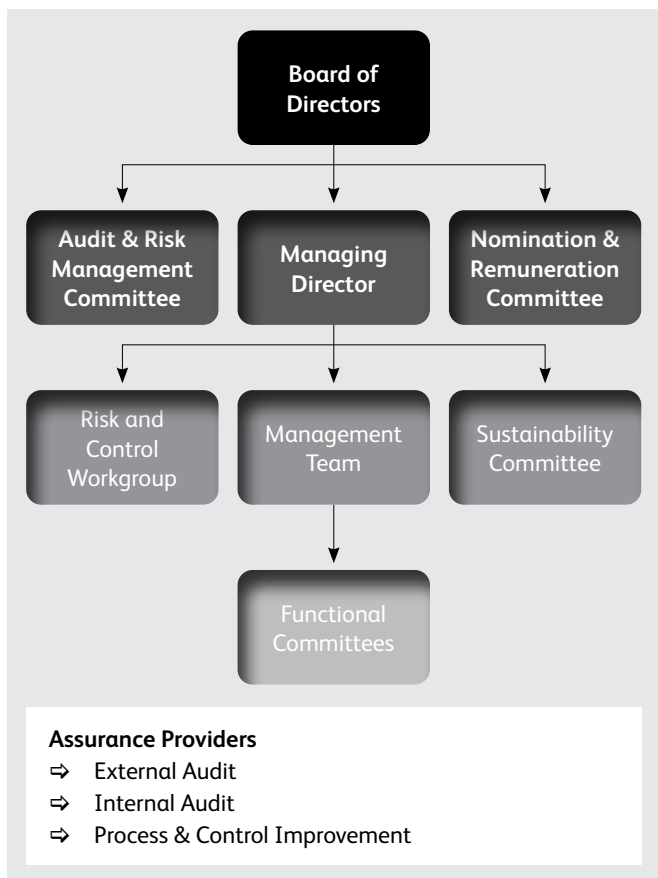
The Company's application of MCCG principles and CG practices, along with explanations for any departures, are detailed in the CG Report 2024.

Principle A

Board Leadership and Effectiveness

Governance Framework

To ensure orderly and effective discharge of the functions and responsibilities of the Board, the Board has established a governance framework. Within this framework, specific powers are delegated to the appropriate Board Committees as well as the Managing Director and his team. The governance framework is depicted as follows:



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Board Responsibilities

The Board is collectively responsible for defining the Group's strategic direction, overseeing the conduct of businesses and evaluating management effectiveness. It considers the interests of all stakeholders in its decision-making to ensure the Group's objectives of creating long-term sustainable value for the benefit of our stakeholders are met.

The Board is also responsible to establish the corporate values, promote good governance practices, reinforce ethical and professional behaviour and ensure its obligations to shareholders and other stakeholders are fulfilled.

The Board is guided by its Charter which delineates the purpose, composition, key roles and primary responsibilities as well as the internal procedural matters for the Board. The principal responsibilities of the Board are in line with those outlined in the MCCG. The Board Charter serves as a reference for Board members, assisting them in discharging their fiduciary duties as Directors.

The Board is supported by the Audit & Risk Management Committee (ARMC) and the Nomination & Remuneration Committee (NRC), with each entrusted with specific responsibilities and authorities to review relevant matters prior to tabling to the Board for approval. The Chairpersons of these respective Board Committees report to the Board on discussions held and recommendations made.

The roles of the Chairman and the Managing Director are held by separate individuals. The responsibilities of the Chairman are outlined in the Board Charter. The Managing Director, appointed by the Board, is primarily responsible for the daily management of the Group's business and operations, ensuring organisational effectiveness and implementing strategies and policies approved by the Board. The Managing Director is supported by the Management Team, which is assisted by several functional committees that are tasked to oversee key operating areas.

The Board delegates the following responsibilities, with appropriate oversight, to the Management Team for achieving the defined corporate objectives:

- Implementing the approved strategy and operating plans
- Managing the Group's business and operations
- Managing the Group's resources, cash flow and investments
- Assessing risks and opportunities arising from the evolving market environment
- Ensuring compliance with applicable regulatory requirements

The responsibilities and authorities of the Management Team are outlined in the Statement of Authority approved by the Board.

A schedule of key matters is specifically reserved for the Board's consideration and decision-making to ensure that the direction and control of the Group are in its hands. These matters are outlined in the Board Charter approved by the Board.

The Board Charter is available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>

Board Meetings

The Board meets quarterly to review business and financial performance and discuss operational and industry issues as well as challenges affecting the Group. Additional meetings are scheduled as necessary, to address urgent and important matters. Directors can participate in meetings remotely via a designated virtual meeting platform. To assist Directors and Management in planning for the financial year, meetings of the Board and the Board Committees are scheduled in advance before the start of each new financial year.

In 2024, the Board had five meetings. The Finance Director and the Company Secretary attended every meeting whilst other Management Team members were invited to attend specific sessions to report on their respective areas of responsibility. The attendance of each Director at the Board meetings, was as follows:

Name	Designation	Attendance
Dato' Sri Idris Jala (Chairman)	Independent Non-Executive Director	5/5
Choo Tay Sian, Kenneth	Non-Independent Non-Executive Director	5/5
Seng Yi-Ying	Non-Independent Non-Executive Director	*4/5
Lau Nai Pek	Senior Independent Non-Executive Director	5/5
Chua Carmen	Independent Non-Executive Director	*4/5
Erin Sakinah Atan	Non-Independent Non-Executive Director	5/5
Martijn Rene van Keulen (Appointed on 1 July 2024)	Managing Director	2/2
Roland Bala (Resigned on 1 July 2024)	Managing Director	3/3

* Absent from one meeting due to other commitment.

During Board Meetings, the Managing Director leads the presentation, providing comprehensive explanation of the Group's strategy and priorities, business performance and other pertinent issues whilst the Finance Director reports on the Group's financial performance and financial-related matters. Other Management Team members provide updates on activities and issues within their responsibility.

Directors are encouraged to actively participate and share their perspectives during deliberations in meetings. They may also pose questions to Management before each Board Meeting for better

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preparation. Directors with a direct or deemed interest must abstain from deliberation and voting on the related resolution. Board decisions are made by consensus.

The proceedings of all meetings, including discussed issues, decisions, conclusions, dissenting views and whether any Director abstained from voting or deliberating on a specific matter at the meetings, along with required actions to be taken by responsible parties, are recorded in the minutes by the Company Secretary. Between Board meetings, time-sensitive or administrative matters requiring the Board's decisions or approvals will be addressed via circular resolutions, supported by relevant information and explanations. This procedure is also applicable to the Board Committees.

As a good CG practice, the Independent Directors convened a meeting during FY2024, excluding the Non-Independent Directors and Management. This session provided an opportunity for them to exchange insights and discuss potential enhancements in governance.

Access to Information

The Board emphasises on provision of timely and high-quality information by Management to enable effective deliberation and decision-making. Prior to each meeting, a structured agenda, along with management reports and proposals, is provided to the Directors at least five days in advance (or no fewer than three days under any circumstances). To enhance meeting efficiency, the agenda is organised according to the priority of the matters or proposals to be discussed, with clear indications to guide the Directors whether the items are for approval, discussion or notation. Additionally, time allocations for each agenda item are specified to ensure the meetings are conducted efficiently.

All Directors have unrestricted access to the Management Team, allowing them to have informal meetings with the team members to discuss significant developments or matters concerning the Group's operations. The Board also has full access to information, as well as the advice and services of the Company Secretary, who is a Chartered Secretary and qualified under the Companies Act 2016. The Company Secretary ensures that Directors receive adequate information and sufficient time to prepare for Board meetings. Additionally, the Company Secretary prepares minutes of meetings promptly and advises the Board on corporate administration and governance matters, including compliance with relevant regulatory requirements.

With the Board's approval, Directors, whether collectively or individually, may seek and obtain independent professional advice at the Company's expense on specific issues to assist them in discharging their duties effectively.

Directors' Professional Development

Directors recognise the importance of broadening their perspectives and staying updated with market developments and regulatory changes to enhance their ability in discharging

their duties and responsibilities. The Board, through its annual effectiveness evaluation, assessed training needs based on feedback from the Directors. Additionally, Directors may personally identify specific areas where additional training would be beneficial. When necessary, learning sessions on relevant topics pertinent to the Group's business will be organised for the Directors.

All Directors have completed the Mandatory Accreditation Programme (MAP) Part I on CG and Director's roles, duties and liabilities as required under the Bursa Securities' Main Market Listing Requirements (MMLR). Most Directors have also completed the MAP Part II on sustainability, which is another mandatory programme to be completed in 2025.

During FY2024, several Directors attended learning programmes on global macroeconomics trends, governance and risk management practices, business, international relations and the political economy, responsible marketing, anti-bribery and anti-corruption, competition law and team coaching. Additionally, some Board members participated in forums and seminars as speakers and panelists in their areas of expertise.

Commitment to Integrity and Ethical Conduct

Establishing a culture of integrity and ethical within the organisation is important for preserving the Group's reputation and enhancing stakeholders' confidence. The Board remains committed to upholding exemplary business conduct by implementing adequate policies and procedures. Directors, officers, employees and business partners of the Group are required to observe and maintain high standards of integrity and ethical behaviour in their duties or business dealings, and to comply with relevant regulatory requirements and policies adopted by the Group, including those relating to anti-bribery and anti-corruption.

The Group has adopted the following codes that outline its responsibility to conducting business with integrity and fairness, adherence to laws, promoting sustainability and ensuring responsibility as well as the key principles for ethical and business conduct expected from stakeholders in their dealing with the Group.

HEINEKEN Code of Business Conduct (HeiCode)

The HeiCode outlines the core principles and expectations that apply to all individuals within the Group. It addresses various topics, including discrimination, harassment, fraud and corruption. It specifies the standards of conduct and behaviour expected in daily work, both within and outside the Group. The HeiCode covers all aspects of the Group's business operations, organised into four broad categories:

- Caring for People and Planet
- Maintaining Business Integrity
- Protecting our Assets
- Engaging Responsibly

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The HeiCode and the underlying policies, communication and training materials are documented and accessible through a Business Conduct Portal for employees. Annually, all employees must complete the following e-learning modules as part of the Company's efforts to enhance awareness and assess their understanding of the respective codes and underlying principles:

- Code of Business Conduct
- Anti-Bribery and Corruption
- Responsible Marketing Code
- Security Awareness
- Fraud Awareness
- Data Privacy
- Competition law
- Life Saving Commitments
- Responsible Consumption

Board members and employees, including Senior Management, are required to annually disclose any potential conflicts of interest between their personal interests and those of the Company or its subsidiaries. This policy ensures decisions within the Group are based on objective business judgement and are not influenced by personal interests or gains.

HEINEKEN Responsible Marketing Code

The Group has adopted the HEINEKEN Responsible Marketing Code, which governs all commercial communications to ensure adherence to the highest standards of responsible marketing. The Code focuses on promoting moderate drinking, respect and truthfulness in commercial activations. It also includes guidelines for low and no-alcohol business, digital media and self-regulation initiatives. The Group's licence to operate depends on its efforts in marketing its brands responsibly and driving sensible consumption. All marketing materials undergo thorough review against the Code prior to publication.

The Code is updated periodically to reflect developments in the fast-changing world, with the latest update in April 2024.

HEINEKEN Supplier Code and Distributor Code of Conduct

All business partners are expected to comply with all applicable laws and regulations where they operate and affirm their responsibility to responsible business conduct at all times. They are required to meet the Group's expectations for conducting business responsibly, respecting human rights, ensuring health and safety and protecting the environment as outlined in the HEINEKEN Supplier Code and the Distributor Code of Conduct.

The Group has implemented proactive measures to ensure its business partners uphold our values and dedication to responsible business conduct. The Group has established a due-diligence tool designed to identify, assess and address risks associated with third parties engaged by the Group, including suppliers and distributors. Among the risks evaluated by this tool are bribery and corruption.

HEINEKEN Speak Up Policy

The HEINEKEN Speak Up Policy provides employees and stakeholders with a standard procedure to confidentially report concerns related to suspected misconduct or unethical practices within the Group, without fear of retaliation. Reports may be submitted to designated trusted representatives appointed by the Company or through an external Speak Up Service, which is available 24/7. The Speak Up Service is managed by an independent third party. All Speak Up reports are assessed by a Global Speak Up Review Team, comprising representatives from Global Business Conduct, Global Process & Control Improvement, Global Audit and Global People. This team determines the admissibility of concerns and identifies whether they should be handled by the Global Integrity Committee or by respective company involved.

The policy has been communicated to employees and business partners, emphasising that reports are treated confidentially and that retaliation is not tolerated.

The HeiCode and the HEINEKEN Speak Up Policy are available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>.

Sustainability Governance

The Board ensures the Company's sustainability strategy aligns with the Group's strategic direction to support its long-term goals. It provides oversight on management of material sustainability risks and opportunities, ensuring ESG factors, including climate-related factors, are integrated into the Group's strategy and risk management.

The Group has adopted the HEINEKEN sustainability strategy Brew a Better World 2030 (BaBW) which outlines measurable and ambitious goals across three pillars: environmental sustainability, social sustainability and responsible consumption. The objectives are to achieve net zero environmental impact, fostering an inclusive, fair and equitable world, and promoting moderation in consumption.



ENVIRONMENTAL SUSTAINABILITY

- ⇒ Reach Net Zero Carbon
- ⇒ Maximise Circularity
- ⇒ Towards Healthy Watersheds and Nature



SOCIAL SUSTAINABILITY

- ⇒ Diversity, Equity and Inclusion
- ⇒ Fair and Safe Workplace
- ⇒ Community Impact



RESPONSIBLE CONSUMPTION

- ⇒ Always a Choice
- ⇒ Address Harmful Use
- ⇒ Make Moderation Cool

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The BaBW ambitions and targets align with the benchmarks established by the United Nations Global Compact., aiming to contribute to the United Nations Sustainable Development Goals to protect the planet, ensure prosperity and end poverty. Initiatives within each priority area are driven by relevant functions and departments across the organisation.

Since 2022, the Group has implemented an ESG Framework, aligning the BaBW ambitions with the Group's overall sustainability strategy and emphasising key components of its sustainability agenda. The Group has also adopted a Sustainability Policy to reinforce its responsibility to integrating sustainability practices throughout its operations and value chain, particularly in the areas of ESG.

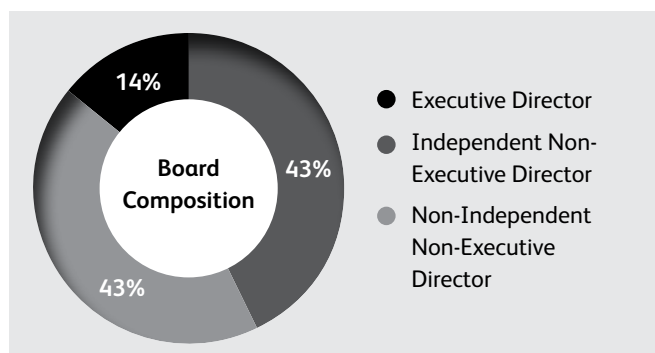
The Board is supported by a management Sustainability Committee responsible for strategically managing the material sustainability matters, including the formulation and implementation of the Group's sustainability priorities and initiatives. The Sustainability Committee is chaired by the Managing Director, who has been entrusted by the Board to oversee the Group's sustainability matters. He is supported by a secretariat led by the Corporate Affairs & Legal Director (CAL Director). The committee comprises members of the Management Team who monitor the progress of sustainability performance within their respective pillars. The CAL Director reports to the Managing Director and the Board on a quarterly basis on the progress of the sustainability priorities and initiatives undertaken by the Group.

Additional details regarding the Company's sustainability strategy are reported in the ESG Review of this Annual Report.

The Sustainability Policy is available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>

Board Size, Composition and Diversity

As of the date of this statement, the Board is composed of seven Directors. It is chaired by an Independent Non-Executive Chairman and includes a Managing Director along with five Non-Executive Directors. Among these Non-Executive Directors, three, including the Chairman, are Independent Directors, constituting 43% of the Board. The remaining three Non-Executive Directors are Non-Independent Directors.



All the Directors are professionals of high calibre and integrity. Collectively, the Board has a diverse set of skills, experience and expertise in various fields including strategy and risk management, business and administration, finance and accounting, media relations and corporate affairs, sustainability and legal which are necessary for the overall effectiveness of the Board and Board Committees.

The primary responsibility of Independent Directors is to safeguard the interests of minority shareholders and other stakeholders. Their role includes providing independent perspectives and advice promoting accountability and balance in Board decisions.

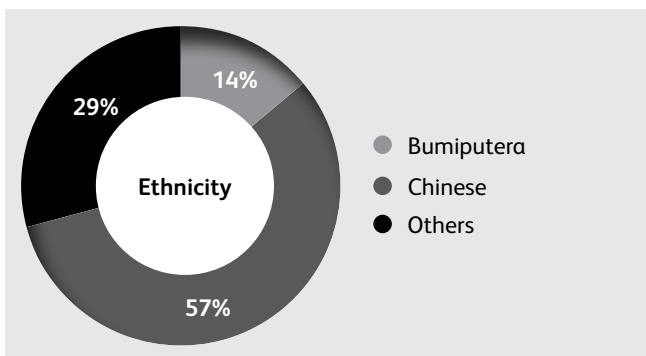
Mr Lau Nai Pek, the ARMC Chairman, has been designated as the Senior Independent Non-Executive Director of the Company. His roles are outlined in the Board Charter.

The Board recognised the recommendation under the MCCG for large companies to have a majority of Independent Non-Executive Directors on the Board. Considering the current shareholding structure, where 51% of the Company's equity interest is held indirectly by Heineken N.V. through its wholly-owned subsidiary, GAPL Pte Ltd, the Board believes that to fully leverage the experience of the HEINEKEN Group and ensure a focus on long-term value creation, it is in the best interest of the Company and the stakeholders that the Board includes a fair and adequate representation of the major shareholders.

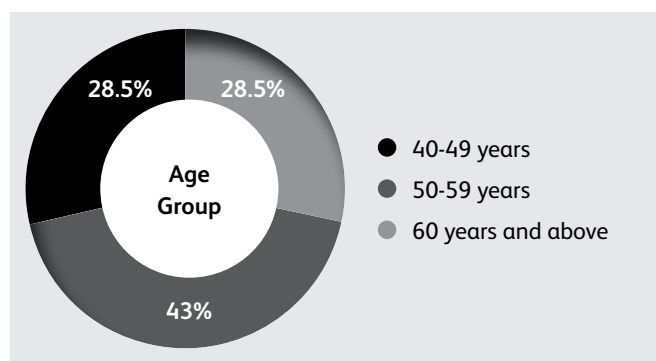
The Group acknowledges the importance of having an inclusive and diverse Board and has continued to maintain a balanced mix of gender, ethnicity and age diversity with sufficient independent elements for effective functioning. The Board considers diversity factors in the selection and appointment process to ensure that members can provide a variety of perspectives, insights and challenges necessary for effective decision-making. The diversity of the Board is depicted as follows:

57% Male   **43%** Female

The female representation on the Board has exceeded the Malaysian Government's target of 30% for public listed companies.



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The Group has adopted the HeiCode and the HEINEKEN Human Rights Policy, which outline the principles of non-discrimination without distinction based on factors such as race, gender, nationality and age. Promoting a culture of diversity and inclusion, along with gender equality across the organisation, will continue to be a priority for the Group.

Regarding the tenure limitation of Independent Directors, the Board is guided by the recommended approach under the MCCG. Shareholders' approval is sought to retain Independent Directors whose cumulative tenure exceeds the nine-year limit, failing which, they will be re-designated as Non-Independent Directors.

Appointments to the Board

There is a formal and transparent process for the selection, nomination and appointment of suitable candidates to the Board. The NRC reviews the existing composition of the Board, identifies gaps and determines the selection criteria for new appointments to address these gaps and enhance the Board's composition. When reviewing and recommending a new Director appointment to the Board, the NRC assesses the suitability of identified candidates based on their profile, professional knowledge and experience, considering the criteria outlined in the Directors' Fit and Proper Policy. The NRC leverages the Directors' network of professional and business contacts as well as external sources, to identify qualified candidates and conduct engagement sessions with shortlisted candidates before making a final recommendation to the Board for approval.

To uphold objectivity and independent judgement in accordance with the best practices of the MCCG, the Board will ensure that no individual is appointed or continues to serve as a Director if the individual is or becomes an active politician. Furthermore, the Board adheres to a cooling-off period of three years before appointing any former audit partners and their affiliates as Independent Directors.

A comprehensive induction programme will be organised for newly appointed Directors to facilitate their understanding of the Group's business and operations, organisational structure, management functions and the issues and challenges facing both the Group and the industry. Members of the Management Team will present their specific areas of responsibility, providing an overview of the key strategies and priorities within their functions. Additionally, as part of the induction programme, a brewery tour

will be arranged to enhance understanding of the supply chain operations.

The Directors' Fit and Proper Policy is available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>

Board Effectiveness Evaluation

The Board, through the NRC, evaluates its collective performance annually by reviewing the effectiveness of the Board's structure and activities as well as those of the Board Committees. For FY2024, this evaluation was conducted internally with the support of the Company Secretary. This process involved the Board members completing online questionnaires that encompassed various parameters to evaluate the Board's performance against best practices.

Based on the evaluation, the Board was satisfied with its overall performance and concluded that both the Board as a whole and its Board Committees were effective in discharging their functions and duties, in that:

- The Board and the Board Committees have the required mix of competent members and are well-balanced with appropriate diversity in terms of skills, business experience, knowledge, gender and ethnicity. This diversity contributes to the overall effectiveness of the decision-making process for the Company and the Group. The Board adheres to CG standards and has established policies and processes to discharge its duties and responsibilities.
- The Board is led by a knowledgeable and respected Chairman known for being inclusive and effective. He facilitates open discussions, allowing Directors to express their views and he succinctly summarises their observations. This approach ensures the Board functions cohesively and decisions are made objectively in the best interest of the Company.
- Board members understand their roles and responsibilities in providing strategic oversight of the Group's business conduct and management. They exhibit comprehensive knowledge of the Group's business and good insights into external trends and developments. They share a common understanding of the Group's long-term strategy and goals and maintain oversight of the execution of the strategy and business plan. Board members demonstrate professional independence and impartiality during deliberations at meetings.
- Board members demonstrated a strong dedication to discharging their fiduciary duties where they participate actively in discussions during Board and Board Committees' meetings. The attendance record of the Board was good, and the Board agenda, meeting reports and minutes of meetings adhered to the standards of good CG.
- The working relationship among the Board members has been positive, characterised by meaningful interactions and mutual respect. There have been professional and constructive debates on wide ranging topics and issues, with valuable insights, guidance and feedback provided to the Management during Board deliberations. Additionally, the Management Team has provided consistent support, enabling the Board to effectively perform its function and duties.

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For FY2025, the Board will maintain its strategic oversight of the Group's business conduct and performance management, with a focus on the following areas:

- (i) Digital transformation, leveraging new technologies including AI to drive productivity and operational efficiency.
- (ii) Risk management, specifically reputational risks.
- (iii) Sustainability and ESG reporting.
- (iv) Talent Development.

NRC

The NRC is responsible for assisting the Board with Nomination & Remuneration matters. The NRC consists of five Non-Executive Directors, with a majority being Independent Directors including the Chairman.

Name	Designation	Date appointed	Years of service
Dato' Sri Idris Jala (Chairman)	Independent Non-Executive Director	1 January 2017	8 years +
Choo Tay Sian, Kenneth*	Non-Independent Non-Executive Director	26 October 2020	4 years +
Lau Nai Pek	Senior Independent Non-Executive Director	22 May 2021	3 years +
Chua Carmen	Independent Non-Executive Director	13 May 2023	1 year +
Erin Sakinah Atan*	Non-Independent Non-Executive Director	14 July 2023	1 year +

* Representing HEINEKEN, major shareholder of the Company.

The roles and responsibilities of the NRC are outlined in its Terms of Reference, available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>.

The Managing Director and the Company Secretary attend every meeting, whilst the People Director attends by invitation as required by the NRC. The NRC Meeting is normally held before or in conjunction with the Board Meeting. When necessary, decisions are made through circular resolutions. At Board Meeting, the Chairman of the NRC reports to the Board on matters deliberated at the NRC Meeting.

The NRC had one meeting in FY2024 with full attendance. During this meeting, the NRC deliberated on and reported the following matters to the Board:

- Management's proposals on short-term incentives payment and annual salary review for Group employees.

- Evaluation of Board and Board Committees' effectiveness and Directors' performance.
- Recommendation for re-election of retiring Director at the Company's Annual General Meeting (AGM).

During FY2024, the NRC also considered and recommended the appointment of Mr Martijn Rene van Keulen, nominated by the major shareholder, to succeed Mr Roland Bala as the Managing Director of the Company for the Board's approval, ensuring a smooth leadership transition.

Remuneration

The remuneration matters of the Group fall under the purview of the NRC. The NRC is guided by the following principles as stipulated in the Company's Remuneration Policy:

- Remuneration should reflect performance, complexity and responsibility with a view to attract, motivate and retain high-performance individuals whilst enhancing the Company's value for its shareholders.
- Remuneration practices are benchmarked against external market data using remuneration surveys to ensure fair compensation for staff.
- The process of remuneration management shall be transparent, conducted in good faith and adhere to appropriate levels of confidentiality.

The remuneration of the Management Team including the Managing Director, is determined based on the HEINEKEN Global Senior Management Reward Policy. The remuneration package consists of both fixed and performance-linked elements, along with a long-term incentive plan. Salaries for the Managing Director do not include a commission or a percentage of the Group's turnover. The Managing Director is not entitled to annual fee nor any meeting allowances for attending Board and Board Committees Meetings. The performance of the Managing Director is evaluated annually, taking into account both corporate and individual performance metrics.

The remuneration for the Non-Executive Directors is determined based on a standard fixed fee with the Chairman of the Board and the Board Committees receiving additional allowance due to their additional responsibilities and commitments. Non-Executive Directors who are members of Board Committees also receive an additional fee. A meeting allowance is provided for attending meetings of the Board and Board Committees. The remuneration package for the Non-Executive Directors is detailed in the CG Report 2024.

The NRC is tasked with reviewing the remuneration package for Non-Executive Directors to ensure it appropriately reflects their experience, level of responsibilities and contributions, and is competitive with market practices. Any proposed changes to the remuneration package will be submitted to the Board for approval.

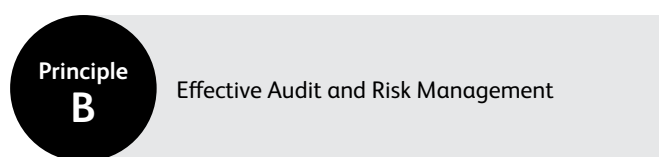
The Board collectively determines the remuneration of the Non-Executive Directors based on the recommendation of the NRC. Each Non-Executive Directors shall abstain from deliberating and

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voting on their own remuneration. The fees for Directors, along with any benefits payable to Non-Executive Directors, shall be subject to shareholders' approval at the AGM.

At the 60th AGM held on 16 May 2024, shareholders' approval was sought for the payment of Directors' fees and benefits up to RM810,000 for the Non-Executive Directors for FY2024. The total remuneration paid to the Non-Executive Directors of the Company for FY2024 was RM804,600. A detailed breakdown of the remuneration paid to the Non-Executive Directors and the Managing Director (former and present), who served during FY2024, is disclosed in the CG Report 2024.

The Remuneration Policy is available on the Company's website at <https://www.heinekenmalaysia.com/corporate-governance/>



ARMC

As of the date of this statement, the ARMC consists of three Non-Executive Directors, with a majority being Independent Directors, including the Chairman. The Chairman of the ARMC is not the Chairman of the Board. All members are financially literate, possess relevant expertise and experience, understand the Group's business and are able to objectively review, analyse, challenge and provide recommendations on matters within the ARMC's jurisdiction, including the financial reporting process. None of the ARMC members are former audit partners who are required to observe a cooling-off period of at least three years before appointment. Detailed information regarding the composition and responsibilities of the ARMC is outlined in the Audit & Risk Management Committee Report.

The Board, through the NRC, assessed the performance and effectiveness of the ARMC for FY2024 and is satisfied that the ARMC and its members have effectively discharged their functions, duties and responsibilities in accordance with the ARMC's Terms of Reference.

The Board ensures that the Group's financial statements comply with the relevant financial reporting standards and applicable legislations and regulations. The Statement by the Directors regarding the preparation of the Group's financial statements is included in the Financial Statements section of this Annual Report.

Suitability and Independence of External Auditors

The Board, through the ARMC, maintains a professional relationship with the external auditors. The ARMC has a clear authority to communicate directly with external auditors. The ARMC meets the external auditors at least twice a year to review their audit plan, audit findings and the Group's financial statements. Additionally, the ARMC conducts private meetings with the external auditors twice annually without the presence

of the Managing Director and Management staff to discuss any areas of concerns or confidential matters, as well as audit findings and other observations from the audit process.

The ARMC evaluates the independence and objectivity of the external auditors in performing statutory audit for the Group, as well as prior to the engagement of non-audit services of the external auditors. The external auditors, Deloitte PLT, have confirmed that they comply with the independence requirements set forth in the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (By-Laws) and the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code). They have also affirmed that they have fulfilled their ethical responsibilities according to the By-Laws and IESBA Code.

The ARMC also reviews the nature of non-audit services and the associated fees to ensure they do not compromise the auditors' independence and objectivity. Additionally, the ARMC has in place pre-approved policies and procedures governing the provision of permissible and non-permissible non-audit services to the Group to further ensure that these services do not impair the audit firm's independence. For FY2024, the external auditors were primarily engaged to perform statutory audit on the Group's financial statements and review reporting deliverables to Deloitte Netherlands as well as the Company's Statement on Risk Management and Internal Control. The fees for these services were reported in the Audit & Risk Management Committee Report. The ARMC also reviews the Annual Transparency Report issued by Deloitte PLT.

Risk Management and Internal Control

The Board is also responsible for ensuring the Group has in place an effective risk management and internal control system to manage and mitigate significant risks across the Group and to safeguard stakeholders' interests and the Group's assets. The Group adopted the HEINEKEN Risk Management and Internal Control Systems which enable Management to identify, assess, prioritise and manage risks on a continuous and systematic basis. The Board, through the ARMC continually reviews the adequacy, integrity and effectiveness of the risk management and internal control systems to ensure that the same are soundly conceived, in place, effectively administered and regularly monitored.

As an integral part of the risk management and internal control systems, an assessment is also performed under the HEINEKEN Risk and Control Matrix compliance programme on the internal controls surrounding the Group financial reporting process on an annual basis, focusing on transparency, accountability and safeguarding of the Group's assets. Outcome of the assessment is reported to the ARMC during their quarterly meetings.

The Internal Audit function, which is performed in-house, assists the ARMC and the Management in the effective discharge of their responsibilities in respect of risk management, internal control and governance. It is guided by its Charter and its principal responsibility is to provide independent and objective reviews on

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the Group's internal control system so as to ensure that controls which are instituted are appropriate and can effectively address acceptable risk exposures. The Internal Audit function also ensures that recommendations to improve controls are followed through by Management.

The Internal Audit function, which is led by the Head of Internal Audit, has a clear line of reporting to the ARMC and its performance is reviewed by the ARMC on an annual basis. The ARMC also reviews the internal audit plan including the adequacy of the audit scope, approach, methodology, resources and authority of the Internal Audit function in carrying out its audit activities. It is independent of the operational and management activities they audit. Further information on the Internal Audit function were reported in the Audit & Risk Management Committee Report.

Based on the evaluation carried out by the ARMC on the performance of the Internal Audit function for FY2024, the Internal Audit function was found to be effective and able to function independently in discharging its responsibilities in that it provided value added recommendations that helped strengthen the internal controls within the Group.

The Board is of the view that the overall risk management and internal control systems in place for FY2024 are operating adequately and effectively for the purpose of safeguarding the Group's assets, as well as shareholders' investments and the interests of customers, employees and other stakeholders. The key features of the risk management and internal control systems are set out in the Statement on Risk Management and Internal Control.

Principle C

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Communication with Stakeholders

The Company recognises the importance of timely and equitable dissemination of material information to shareholders, investors and the public. It consistently maintains an active and proactive communication approach with its shareholders and other stakeholders to foster mutual understanding of each party's objectives and expectations.

The Company is guided by the disclosure requirements of the Main Market Listing Requirements along with the Corporate Disclosure Guide issued by Bursa Securities, HEINEKEN Media Policy and HEINEKEN Financial Disclosure Guidelines. These guidelines specify the authorised spokespersons responsible for communicating specific information to both internal and external stakeholders. They also provide specific guidance on the disclosure of material information, maintaining confidentiality and dissemination of information.

The Company's Annual Report serves as a communication tool with the Group's stakeholders, providing a comprehensive review of the Group's financial and non-financial performance.

The Company ensures that its annual report is published on a timely basis and made available electronically to shareholders immediately upon publication.

The Company leverages various communication platforms to engage with shareholders and stakeholders. These include announcements via Bursa LINK, publication on the Company's website, bi-annually results briefings with analysts, fund managers and media, engagements through the Investor Relations function and the Company's social media. In 2024, the Company conducted several engagement activities with its stakeholders. Details of the engagement activities are reported in the Stakeholder Engagement section within the ESG Review in this Annual Report.

Conduct of General Meetings

The AGM is a key platform for Directors and Management Team to engage shareholders, providing insights into the Group's business, governance and performance. Shareholders were notified of the AGM ahead of time, and relevant reports were published via the Company's and Bursa Malaysia's website at least 28 clear days prior to the meeting. Shareholders were also given the opportunity to submit pre-meeting questions regarding the AGM agenda via the Tricor's TIIH Online website.

In 2024, the Company conducted its AGM entirely virtually using the remote participation and voting (RPV) facilities. The AGM was attended by all Board members, the Finance Director, Company Secretary, the External Auditors and shareholders of the Company.

At the AGM, the Managing Director presented a comprehensive review of the Group's business and financial performance, alongside an overview of the Group's activities, key challenges, market outlook and strategies and priorities for the ensuring year. Shareholders were provided with the opportunity to submit real-time questions, comments or suggestions for improvement and cast their votes via the RPV facilities. The Chairman, representing the Board, along with the Managing Director, addressed questions submitted in advance by shareholders, including those from the Minority Shareholder Watch Group as well as the real-time questions posed during the meeting. All resolutions outline in the notice of the AGM were voted by poll, and an independent scrutineer was appointed to validate the votes for each resolution. The poll results were announced before the conclusion of the AGM and were subsequently published on the Company's website and via Bursa LINK on the same day. Additionally, the minutes of AGM, along with the written responses to relevant questions raised were also made available on the Company's website at www.heinekenmalaysia.com.

LOOKING AHEAD

The Board will continue to uphold strong governance and ethical practices, strengthen sustainability oversight and ensure all material risks are managed effectively to drive sustainable growth and performance for the Group.

This CG Overview Statement was approved by the Board on 11 March 2025.