

## **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 0147  
**COMPANY NAME** : INNITY CORPORATION BERHAD  
**FINANCIAL YEAR** : December 31, 2023

### **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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board assumes full responsibility for long-term sustainability of the Group through effective stewardship and application of corporate governance best practices.</p> <p>In discharging its fiduciary duties and overall leadership functions, the Board sets the strategic direction of the Group, ensures the effective use of resources to meet its objectives while exercising oversight on management's performance.</p> <p>The Board's core responsibilities are:</p> <ul style="list-style-type: none"><li>a) Providing overall leadership and guidance by working with the Group's senior management in mapping out the Group's strategic direction specifically, the development and implementation of corporate strategies to achieve the Group's mission and vision;</li><li>b) Monitoring and reviewing with senior management, on a regular basis, the progress and financial performance of the Group;</li><li>c) Approving the Group's strategic plan, corporate announcements, material investments/divestments, mergers and acquisitions, key policies such as dividend policy for shareholders and all financial and operating budgets including financial statements for regulatory and management reporting;</li><li>d) Developing alternative steps or actions should there be major departures from the principles and recommendations laid out in the Code;</li><li>e) Delegating appropriate powers to key members of senior management to facilitate effective day-to-day management of</li></ul>

the business as well as monitoring the exercise of these powers;

- f) Ensuring effective risk management, compliance and internal controls are competently implemented in all aspects of the business;
- g) Overseeing the development and implementation of a shareholder communication policy; and
- h) Having oversight responsibility on social and governance (ESG) issues by resetting business models to embrace sustainability and long term value creation in the Group's business; and
- i) Reviewing and approving the recruitment of senior management personnel across the Group, through the Nomination Committee, to ensure efficient succession planning and continuity of the Group's mission and vision

At INNITY, the Board has reserved full decision-making powers on the following matters: -

- a) Strategic plan for the Group;
- b) Pre-emptive changes to rectify the Group's corporate strategy;
- c) Group budget;
- d) Changes to Board Committees, key policies and discretionary powers;
- e) Expenditure exceeding senior management's discretionary limits;
- f) Acquisition or disposal of group companies;
- g) Corporate deals and exercises;
- h) Corporate announcements via Bursalink;
- i) Implementation of internal controls/mitigants to curb principal risks;
- j) Approval of annual and quarterly financial results;
- k) Development and revision of shareholder communication policy;
- l) Integrity and effectiveness of risk management and internal control systems;

	<p>m) Focusing on the long-term preservation and enhancement of ESG issues by ensuring that sustainability is integrated into the Group’s strategic direction and its operation; and</p> <p>n) Succession planning for senior management positions.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is led by an Executive Chairman, Mr Phang Chee Leong, who is one of its principal founders.</p> <p>Since the Company's inception in 1999, Mr Phang has been the key person leading the Board driving INNITY's growth. Armed with his wide knowledge, experience, strategic thinking and driven vision, spanning over 24 years in new digital technology, Mr Phang is deeply involved in directing the Group's product development and research &amp; development ("R&amp;D"). He has steered the Group into one of the leading service providers in online advertising solutions and related services in Southeast Asia.</p> <p>As Executive Chairman, Mr Phang is responsible in leading overall functioning of the Board so that the Board and Board Committees can perform its responsibilities effectively.</p> <p>The role of the Executive Chairman involves:</p> <ol style="list-style-type: none"> <li>a. providing effective leadership of the Board;</li> <li>b. instilling corporate governance best practices;</li> <li>c. overseeing the effective discharge of the Board's supervisory role;</li> <li>d. facilitating the effective contribution of all directors;</li> <li>e. conducting the Board's function and meetings;</li> <li>f. briefing all the directors in relation to issues arising at meetings;</li> <li>g. scheduling annual effective evaluation of the Board's performance;</li> <li>h. promoting constructive and respectful relations between Board members and between the Board and the</li> </ol>

	<p>Management; instilling a work culture of high performance; and</p> <p>i. ensuring effective communication and feedback with stakeholders.</p> <p>A profile of Mr. Phang Chee Leong is presented in page 8.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>At INNITY, the positions of Chairman (designated as Executive Chairman) and CEO (designated as Managing Director) are held by different individuals.</p> <p>The roles and responsibilities of the Executive Chairman and Managing Director are clearly differentiated - between the strategy and policy-making process and daily management of the Group. This is to ensure clarity of responsibilities and accountability between two individuals such that no one individual has unfettered powers over decision making.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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

*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'.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The Board's Executive Chairman, Mr. Phang Chee Leong, is neither a member of the Nomination, Remuneration or the Audit & Risk Management Committees.
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is ably supported by two (2) Company Secretaries. The Company Secretaries are externally appointed. The Company Secretaries Ms Fong Seah Lih and Ms Tham Yin Tong are well qualified Chartered Secretaries and possess the requisite knowledge, experience and all-round exposure through their roles as Company Secretary for public listed companies in other sectors of economy</p> <p>Apart from undertaking statutory duties as prescribed under the Companies Act 2016, their duties and responsibilities have been enlarged to include the following:</p> <ul style="list-style-type: none"><li>a. Advising the Board on its roles and responsibilities;</li><li>b. Updating the Board on the latest security regulations with respect to corporate disclosures and compliance as set out by external regulators such as the Securities Commission and Bursa Malaysia Securities Berhad ("Bursa Securities");</li><li>c. Monitoring corporate governance developments and advising the Board to adopt a high standard of corporate governance that meets stakeholders' expectations; and</li><li>d. Full and unrestricted access to the source of updated information and reference acquired in providing relevant advice on compliance and regulatory issues;</li></ul> <p>The Board is satisfied with the services and support provided by the Company Secretaries and stands to benefit from their statutory and regulatory updates.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

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

**Practice 1.6**

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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Management, assisted by the Company Secretary, are tasked with the supply of information, in the form of Board papers, for the Board's deliberations and decisions.</p> <p>The agenda for Board meetings and a complete set of Board papers and preceding Board minutes containing information relevant to the meeting agenda, are circulated to all directors at least seven (7) calendar days prior to the meeting. Board members are therefore, given sufficient time to go through the Board papers thoroughly.</p> <p>All directors have access to all information within the Group. To facilitate discussions on operational issues, such as changes on operating procedures and human resource issues, the directors may interact directly with the management requesting for further clarification, information or updates.</p> <p>If necessary, senior management are invited to attend Board meetings to provide additional insights, explanations and professional views on specific items on the meeting agenda.</p> <p>The directors may also seek independent professional advice at the Group's expense, on specialised issues to enable them to discharge their duties with adequate knowledge of the issues being deliberated.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The fiduciary functions of directors and members who sit on Board Committees are guided by the Board Charter.</p> <p>The Board Charter serves as a primary source of reference to the Board in: -</p> <ul style="list-style-type: none"> <li>a. Clarifying distinctly the respective roles and responsibilities of the Board, Board Committees, individual directors and management; and</li> <li>b. Detailing processes/procedures for convening of meetings, directors' access to information and advisory on directors' continuous training.</li> </ul> <p>The Board Charter was updated and approved by the Board on 22 February 2023, to aligned with the statutory revisions in corporate governance best practices. The Board Charter would be reviewed and updated from time to time, as deemed necessary, to keep abreast of statutory revisions in corporate governance best practices to ensure its relevance and effectiveness.</p> <p>The Board Charter is available on the Company's website at <a href="http://www.innity.com">www.innity.com</a></p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**Intended Outcome**

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

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

**Practice 3.1**

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>A Business Code of Conduct ("COC") has been formalised to reflect INNITY's vision and core values of integrity, teamwork, learning and performance.</p> <p>The COC constitutes the primary behaviour guide for the Company's employees. It incorporates the basic standards of ethical legal behaviour emphasising INNITY's commitment, as a corporate family, to ethics and compliance with the law. The COC is also a preventative tool – to help prevent and detect violations of the Company's policies and the law.</p> <p>The COC outlines guiding principles covering:</p> <ol style="list-style-type: none"> <li>a. Communications i.e. conducting business in a forthright and transparent manner;</li> <li>b. Employment practices adopted by employees to conduct themselves with fairness, honesty, integrity and professionalism in the performance of their functions and in all of their business relationships;</li> <li>c. Conflicts of interest – avoid engaging activity between personal interests and those of the Company from any relationships or conflict of interests which could impair their objectivity and independence;</li> <li>d. Financial integrity in terms of accuracy of the Company's accounting records, compliance with accounting standards, laws and regulations in each applicable jurisdiction;</li> </ol>

	<ul style="list-style-type: none"> <li>e. Entertainment, favours and gifts outlining the non-acceptance of gifts, lunches, dinners, entertainment etc. from interested third parties that may influence the outcome of the business direction;</li> <li>f. Misuse of Company Assets – each employee is a steward of the Company’s assets. As such, employees have the obligation to protect and preserve Company assets as well as assist the Company in its efforts to control costs;</li> <li>g. Inside information and insider trading – using non-public information (“inside information”) especially, “material” inside information that would influence a person’s decision to buy, hold or sell the Company’s shares or any other marketable securities is a criminal offense;</li> <li>h. Competition and Anti-Trust Laws – any violation of competition and anti-trust laws will result in severe penalties, including personal and criminal liability; and</li> <li>i. Substance abuse (alcohol and drugs) entailing complete prohibition on the purchase, sale, possession, use, transfer of any illegal drugs or controlled substances by any Company employee while on Company premises or engaged in Company business.</li> </ul> <p>The COC and available on the Group’s website at <a href="http://www.innity.com">www.innity.com</a></p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board has established the policies regarding whistleblowing which sets out the principle and grievance procedures for employees to raise genuine concerns of possible improprieties perpetrated within the Group.</p> <p>The Whistleblowing Policy was updated and approved by the Board on 5 April 2023 and available on Innity website at <a href="http://www.innity.com">www.innity.com</a></p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit and Risk Management Committee held the Board Sustainability Committee roles to oversee sustainability strategy. A ESG working group ("EWG") comprises Senior Management and key personnel from respective divisions and business units within the group was established to assist the ARMC sustainability related tasks and initiatives on a day-to-day basis. The EWG is supported by a Sustainability Manager, who is the key coordinator in ensuring sustainability matters are addressed in each division and business unit. And report to ARMC on the pertinent sustainability risk issues and identified the proposed resolutions to addressed the sustainability risks.</p> <p>Briefly, material sustainability issues addressed by senior management were focused on:</p> <ul style="list-style-type: none"><li>a. <b>Economic Sustainability</b> through developing mutually beneficial business relationship with stakeholders by delivery relevant and functional technology-base online advertising solutions and other related services aiming at a global audience;</li><li>b. <b>Environmental Sustainability</b> through effective and efficient conservation management of resources in full support of the green environment. Apart from the common practices of minimising wastage in our energy consumption, such as multi-video conferencing for our regular communication with our stakeholders or installation of LED lighting in our offices, INNITY's firm commitment in the conservation of resources, based on the 3R concept (i.e. Reduce, Reuse, Recycle), has paved the way for the adoption of the following green technology initiatives:<ul style="list-style-type: none"><li>- Centrally focused on interactive online marketing platforms to advertisers and publishers with a bias on green technologies; and</li></ul></li></ul>

	<ul style="list-style-type: none"> <li>- Finalising plans towards a paperless working environment through streamlining and digitising work processes to improve productivity, reduce wastage and conserve energy resources.</li> </ul> <p>c. <b>Social Sustainability</b> through fostering a culture of work and family life balance amongst our employees who are our priceless assets.</p> <p>INNITY's employees enjoy the following fringe benefits:</p> <ul style="list-style-type: none"> <li>- Innity practices hybrid working arrangement, different team is working in office during the three (3) days "work from office" protocol giving most employees the flexibility in the new working norm;</li> <li>- Medical and hospitalisation insurance coverage for all employees; and</li> <li>- Upskilling of deserving employees with training/workshops to keep abreast of new technologies and media applications.</li> </ul>
<b>Explanation for departure</b> :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Environmental, Social and Governance (“ESG”) Sustainability issues are key concerns of the Board. They have emerged as major considerations in business decisions alongside cash flows and profitability.</p> <p>INNITY envisions the ESG agenda to be an ecosystem that includes its entire value chain of stakeholders i.e. advertisers, publishers, suppliers and business partners – as “we are only as strong as our whole value chain.”</p> <p>The integration of ESG sustainability into all of our domestic and overseas operations is a continuous process with the Board having oversight responsibility.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Audit and Risk Management Committee(“ARMC”) assists the Board oversees sustainability management of the group. The ESG working group which comprises Senior Management and key personnel of the companies in the Group, was established to assist the Sustainability Manager on sustainability related tasks and initiatives on a day-to-day basis, Sustainability Manager focus on overseeing ESG Working Group and assists the ARMC on the development of sustainability strategies.</p> <p>The Board recognises its responsibility to set the “tone from the top” and ensure good governance within the Group. In this regard, the Board is tasked with continuously addressing group ESG risk, strategic focus on ESG as well as identifying business opportunities for the group. Aside from strategic guidance for management of its identified sustainability material matters and climate-related risk, Board is also committed in advancing the ESG agenda across the organisation.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Nomination Committee (“NC”) carries out the annual evaluation of the effectiveness of the Board, Board Committees and individual directors.</p> <p>In respect of the Board’s performance and effectiveness for the financial year ended 31 December 2023, the evaluation was conducted internally, facilitated by the Company Secretary. The evaluation process was carried out using questionnaires that were model on Self and Peer rating assessment.</p> <p>The evaluation process included the Board’s commitment on ESG issues.</p> <p>At the same time, a formal and objective evaluation on the frequency of interaction, communication and the level of commitment and contribution of each individual director for 2023 was also carried out based on Self and Peer assessment.</p> <p>Each director furnishes to the Board a self-assessment of his performance during the course of the financial year. An objective assessment by each director on the performance of each of his peers is also submitted to the Board for adjudication and levelling.</p> <p>The assessment included whether each director, when addressing various issues, was able to exercise independent judgement, when challenged on his point of view, while still acting in the Company’s best interest.</p> <p>The Board is satisfied with the time commitment and level of effective participation given by the directors as espoused in the Code, towards fulfilling their roles and responsibilities as well as their commitment on ESG issues.</p>
<b>Explanation for departure</b>	:	

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

<b>Measure</b> :		
<b>Timeframe</b> :		

**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.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>ARMC held Board Sustainability Committee roles and identified a senior management person namely the Corporate Strategy Director to take up the position of Sustainability Manager, who has worked in the Company more than 15 years and possess the requisite knowledge in sustainability management.</p> <p>His role includes overseeing ESG working group, ensuring sustainability matters brought up from the representatives from respective division or business unit are deliberated, addressed and proposed resolutions are identified and escalated to the ARMC.</p>

### Intended Outcome

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

### Practice 5.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The NC Chairman leads the appointment of Board members and carries out the annual review of the Board's effectiveness and ensures that the performance of each individual director is fairly and justifiably assessed</p> <p>The NC, which comprises exclusively of Independent Non-Executive Directors, has witnessed several changes in the past 5 years as follows:</p> <ul style="list-style-type: none"><li>a. Mr Robert Lim Choon Sin, a Senior Independent Non-Executive Director, retired as Chairman of the NC on 1 August 2019. He was succeeded by Mr Fung Kam Foo (Independent Non-Executive Director) who came on board on 1 August 2019;</li><li>b. Encik Shamsul Ariffin Bin Mohd Nor, who has served a cumulative term of more than 12 years was resigned on 1 September 2022 and succeeded by Puan Norliza Binti Rasool Khan on 1 September 2022.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board comprises nine (9) members, three (3) of whom are Independent Non-Executive Director as follows: -</p> <ul style="list-style-type: none"> <li>a. Mr. Fung Kam Foo</li> <li>b. Mr. Cheong Chee Yun</li> <li>c. Puan Norliza Binti Rasool Khan</li> </ul> <p>The NC acknowledges the current size and composition will need to be reviewed to provide a balance mix of skills and experience to meet the core competencies and objectivity required of the Board.</p> <p>The Board is mindful of the recommendation of MCGG 2021 that the Board must comprise at least 50% of Independent Directors.</p> <p>The Board is putting every effort in getting suitable candidates who could meet the objective criteria, merit and with due regard for diversity in skills, experience and background to be an Independent Board member.</p> <p>The Board intend to increase the number of Independent Non-Executive Director from three (3) to five (5) members to make up of 50% Independent Director.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The NC will continuously source suitable independent director and recommend to the Board to fulfil the recommendation of MCGG 2021
<b>Timeframe</b>	:	Within 2 years

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board cognitive the importance to practise a good Corporate Governance, the Board will review a balance mix of skills and experience to meet the core competencies and objectivity required of the Board upon the Board renewal beyond the nine years tenure.</p> <p>The following independent directors are serving the Board within the nine years tenure:</p> <ul style="list-style-type: none"><li>a. Mr Cheong Chee Yun (appointed on 27 September 2018);</li><li>b. Mr Fung Kam Foo (appointed on 1 August 2019); and</li><li>c. Puan Norliza Binti Rasool Khan (appointed on 1 September 2022)</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of diversity in terms of skills, experiences, age, cultural background as well as gender in leading the Board and Board Committee.</p> <p>The NC is responsible for assessing and recommending suitable candidates to the Board and Board Committees. The responsibilities of the NC in this regard are outlined in its terms of reference</p> <p>In evaluating potential candidates, the NC has adopted a guide to identify, evaluate, select and recommend to the Board to fill vacancies on the Board and its various committees. It considers, the following criteria in no particular order of importance:</p> <ul style="list-style-type: none"><li>i) skills; knowledge, expertise, experience, qualification and gender diversity;</li><li>ii) Professionalism;</li><li>iii) Commitment (including time commitment) to effectively discharge his/her role as Director;</li><li>iv) Contribution and performance;</li><li>v) Background, character, integrity and competent;</li><li>vi) Independence. Apart from the director's background, it is critical to focus on the director's views or opinions when addressing various issues and whether the director was able to exercise independent judgement, when challenged on his point of view, while still acting in the Company's best interest.</li></ul>

	<ul style="list-style-type: none"> <li>vii) Positive feedback from, if applicable, listed and non-listed companies in which the candidate has been a director or Chairman;</li> <li>viii) Understanding of the business environment; and</li> <li>ix) Willingness to devote personal time and commitment.</li> </ul> <p>The Group acknowledges the importance in promoting diversity on the Board and its Senior Management, however the selection criteria for suitable candidates based on an effective blend of merits, competencies, knowledge, skills, experience and contribution to the Board and organisation and are not driven by any racial, age, religion or gender bias.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	To alleviate the perception of bias in the selection of candidates, the NC is open to recommendations or suggestions from external sources such as professional associations and executive search agencies. In the past, NC engaged The Institute of Corporate Directors Malaysia to source for the Independent Directors.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>To make informed decisions on the appointment and reappointment of a director, shareholders have been furnished with relevant information through timely disclosures via public announcements, through issuance of the Annual Report and Company website at <a href="http://www.innity.com">www.innity.com</a>.</p> <p>The Board of Directors has through the NC carried out an annual assessment on the performance and effectiveness of the Directors. Directors who met the criteria prescribed under Director fit and proper policy approved and adopted will only recommended for the appointment or reappointment.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NC is chaired by Mr. Fung Kam Foo (Independent Non-Executive Director).</p> <p>The NC's composition of 3 Independent Non-Executive Directors, allows it to deliberate and act independently of the Board on such matters as:</p> <ul style="list-style-type: none"> <li>a. The annual review of the Board's effectiveness;</li> <li>b. Assess each director's performance and training requirements; and</li> <li>c. Spearhead succession planning and appointment of board members.</li> </ul>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>In the selection of board members, the Board practises non-discrimination of any form whether based on gender, race, age or religion throughout the Group.</p> <p>Notwithstanding the challenges in achieving the appropriate level of gender diversity on the Board, it will endeavour to address this issue as and when vacancies arise at Board and Senior Management level.</p> <p>The Board intend to increase from one (1) to three (3) woman Independent Non- Executive Director to meet the 30% woman directors board composition.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	A first female Independent Non-Executive Director was appointed to the Board on 1 September 2022. The Board will continue to identify suitably qualified female candidates who meet the qualifications, qualities and standards that commensurate with the Group’s requirements to achieve the 30% target.
<b>Timeframe</b>	:	Within 2 years

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>A diversity policy was approved and adopted by the Board on 23 August 2022, The Board acknowledges the importance of diversity in its Boardroom, Senior Management and workforce whereby gender diversity is an essential element in attaining effective strategic objectives of the Company and its subsidiaries, The Board takes cognizance of the importance of having women representation on Board and had appointed a first woman Independent Non-Executive Director during the financial year 2022</p> <p>The Board views that the appointment of new board members will not solely be guided by gender but rather the skills, knowledge and experience of the newly appointed director.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: The NC carries out the annual evaluation of the effectiveness of the Board, Board Committees and individual directors. In respect of the Board's performance and effectiveness for the financial year ended 31 December 2023, the evaluation was conducted internally, facilitated by the Company Secretary. The evaluation process was carried out using questionnaires that were modelled on Self and Peer rating assessment.  A formal and objective evaluation on the frequency of interaction, communication and the level of commitment and contribution of each individual director for 2023 was also carried out based on Self and Peer assessment.  Each director furnishes to the Board a self-assessment of his performance during the course of the financial year. An objective assessment by each director on the performance of each of his peers is also submitted to the Board for adjudication and levelling.  The assessment included whether each director, when addressing various issues, was able to exercise independent judgement, when challenged on his point of view, while still acting in the Company's best interest  The Board is satisfied with the time commitment and level of effective participation given by the directors as espoused in the Code, towards fulfilling their roles and responsibilities.
<b>Explanation for departure</b>	:  

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

<b>Measure</b> :		
<b>Timeframe</b> :		

### 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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>An appropriate remuneration policy is critical to attract, retain and motivate individuals of high calibre to drive the long-term success of the Group. The policy is structured to link rewards to individual and corporate performance.</p> <p>At INNITY, a Remuneration Policy for Directors and Senior Management is in place to attract, retain and motivate the respective board members and senior management personnel. The Remuneration Policy is published on the Company's website at <a href="http://www.innity.com">www.innity.com</a>.</p> <p>The development of this policy is the purview of the Remuneration Committee ("RC"). This policy is shaped by the following underlying principles:</p> <ul style="list-style-type: none"><li>a. Consistency with Group's strategy and business objectives;</li><li>b. Competitive with remuneration policies of competing peers; and</li><li>c. Compliance with Company values.</li></ul> <p>The remuneration package for Executive Directors has been structured to link rewards with corporate and individual performance.</p> <p>The remuneration of Non-Executive Directors is based on the level of responsibilities placed on each individual Non-Executive Director.</p> <p>Directors' fees and benefits are subject to shareholders' approval at the Company's Annual General Meeting.</p> <p>The recommendation for members of Senior Management is also based on the role, skills, competency and the performance of each individual member.</p>

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

**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.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The RC makes recommendations to the Board on all aspects of remuneration for the Executive Directors, Non-Executive Directors, the Board members and the top management.</p> <p>The present composition of the RC consists of three (3) Independent Non-Executive Directors.</p> <p>The RC is governed by Terms of Reference which stipulates the RC's authority and duties. These terms are disclosed on the Company's website at <a href="http://www.innity.com">www.innity.com</a>.</p> <p>The RC outlines policies and procedures to administer the remuneration package of its Executive Directors, Non-Executive Directors and Senior Managers.</p> <p>The remuneration package would take into consideration the reward structure, allowances, bonuses and benefits-in-kind corresponding to the demands, complexities and performance of the Group companies as well as the individual's skills and experience.</p> <p>The basis of remuneration should be in tandem with the following objectives:</p> <ul style="list-style-type: none"> <li>• Aligned with the business strategy and long-term objectives of the Group;</li> <li>• Follow clear, definable and measurable key performance indicators;</li> <li>• Due consideration given towards achievements on specific contexts to avoid unjustly rewarding performance due to external factors which are out of the individual's control; and</li> <li>• Competitive with the market rate of its peer group.</li> </ul>

	<p>The RC meets at least once a year to review and recommend the Board member’s remuneration package and/or reward payments against the achievement of divisional goals, quantified targets as well as strategic initiatives set each year.</p> <p>During 2023, the RC has met once to review and assess the remuneration packages of board members and senior management.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Details of directors' remuneration (including fees, salary, bonuses and other emoluments, where relevant, for each director during FY2023 are disclosed below: -

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	Fung Kam Foo	Independent Director	46.2	0	0	0	0	3.5	49.7	46.2	0	0	0	0	3.5	49.7
2	Cheong Chee Yun	Independent Director	46.2	0	0	0	0	3.5	49.7	46.2	0	0	0	0	3.5	49.7
3	Norliza Binti Rasool Khan	Independent Director	46.2	0	0	0	0	3.5	49.7	46.2	0	0	0	0	3.5	49.7
4	Liong Wei Li	Non-Executive Non-Independent Director	23.1	0	0	0	0	0	23.1	23.1	0	0	0	0	1	23.1
5	Gregory Charles Poarch	Non-Executive Non-Independent Director	23.1	0	0	0	0	0	23.1	23.1	0	0	0	0	0	23.1
6	Michihiko Suganuma	Non-Executive Non-Independent Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Rieko Yoshikawa	Executive Director	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Looa Hong Tuan	Executive Director	0	0	0	0	0	0	0	0	0	721.435	21.640	0	74.680	817.755
9	Wong Kok Woh	Executive Director	0	0	0	0	0	0	0	0	0	319.200	13.550	0	49.295	382.045
10	Seah Kum Loong	Executive Director	0	0	0	0	0	0	0	0	0	291,360	12.390	0	45.960	349.710
11	Phang Chee Leong	Executive Director	0	Input info here	0	0	Input info here	0	0	331.226	Input info here	584,520	24.605	Input info here	83.935	1,024,286
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here				

14	Input info here	Choose an item.	Input info here													
15	Input info here	Choose an item.	Input info here													

**Intended Outcome**

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

**Practice 8.2**

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

<b>Application</b>	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
<b>Explanation on application of the practice</b>	:	The Company has disclosed the top 5 senior management's remuneration, into bands of RM50,000 on named basis in the Company's annual report.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

No	Name	Position	Company					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1	Gilbert Chee Guang Yao	Regional Strategy Director	150,001-200,000	0-50,000	0-50,000	0-50,000	0-50,000	300,001-350,000
2	Chow Tat Kee	Director, Corporate Strategy	250,001-300,000	0-50,000	0-50,000	0-50,000	0-50,000	250,001-300,000
3	Lee Pey Ling	Regional, Head of Strategic Partnership	200,001-250,000	0-50,000	0-50,000	0-50,000	0-50,000	200,001-250,000
4	Edward Lum Chi Kwan	Head of Creative & Design	200,001-250,000	0-50,000	0-50,000	0-50,000	0-50,000	200,001-250,000
5	Yap Soon Kim	Chief Financial Officer	200,001-250,000	0-50,000	0-50,000	0-50,000	0-50,000	200,001-250,000

**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.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here						
2	Input info here	Input info here						
3	Input info here	Input info here						
4	Input info here	Input info here						
5	Input info here	Input info here						

**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.1**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	At INNITY, the Board has established a committee known as the Audit and Risk Management Committee(“ARMC”).  The Chairman of the ARMC, Mr. Cheong Chee Yun is not the Chairman of the Board.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The updated ARMC terms of reference was adopted by the Board on 7 September 2022 that requires a former key audit partner to observe a cooling off period at least three (3) years before being appointed as a member of ARMC.  Currently, no former key audit partner of the external auditors of the Company is appointed as the Director or a member of ARMC.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The ARMC assessed the suitability, objectivity and independence of the external auditor according to a set of established criteria.</p> <p>Briefly, these are:</p> <ul style="list-style-type: none"><li>i) Adequacy of resources, qualifications and service quality of the External Audit team;</li><li>ii) Global presence in the Group's existing business units;</li><li>iii) Possess a stringent audit framework and programme to uncover major audit issues (if any);</li><li>iv) Strict enforcement of applicable auditing and accounting standards;</li><li>v) Experience in offering practicable solutions when faced with problematic issues;</li><li>vi) Able to communicate effectively with top and middle management; and</li><li>vii) Independent but strong and cordial relationship with auditee companies.</li></ul> <p>During 2023, three (3) meetings were held between the ARMC and management pertaining to the audit plan, audit findings and the review of Group's financial statements. The ARMC was satisfied with the conduct, objectivity and independence of the external auditors, BDO PLT ("BDO") throughout the audit process.</p> <p>At the ARMC's recommendation, the Board has approved the proposal to seek shareholder's approval for the re-appointment of BDO as external auditors for financial year 2023 at the forthcoming AGM.</p> <p>As and when necessary, the external auditors are invited to attend the Company's AGM/EGM and are obliged to answer any questions from shareholders on the conduct of the statutory audit, contents of the annual audited financial statements as well as any corporate exercise(s) undertaken by the Group where the external auditors are involved.</p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	INNITY's ARMC comprises solely of independent directors.

**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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>There is an appropriate level of skills and knowledge in reviewing and understanding financial statements amongst ARMC members thus, allowing them to actively participate and contribute to the effective functioning of the ARMC.</p> <p>The Chairman of the ARMC, Mr. Cheong Chee Yun is a Chartered Accountant member of Malaysian Institute of Accountants, he is experienced and competent, served in various capacities in the public listed companies and currently holds directorships in several private companies.</p> <p>The Board is satisfied with the performance of the ARMC and effective leadership of its chairman. The Chairman is able to lead and actively participate in discussions, offer suggestions and opinions and exercise independent judgement.</p> <p>All ARMC members are mindful of the need for continuous professional development and a list of training attended by ARMC members are presented in page 68 to page 69.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board has established an Enterprise Risk Management and Internal Control Framework which assists all operational levels in achieving the Company's strategic objectives by adopting a systematic approach in evaluating and improving the effectiveness of risk management and control.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The key features of the Group's risk management and internal control framework to facilitate the proper conduct of the Group's businesses are described below:</p> <p><b><u>Risk Management Framework</u></b></p> <p>The Group Risk Management Committee("GRMC"), established by the Board, has oversight of the risk management process. The GRMC oversees the successful implementation of the framework by setting, where appropriate, objective performance targets and policies to the Management Risk Committee("MRC") to manage and mitigate the principal risks identified.</p> <p>The MRC comprises a Senior Manager, as the Risk Management Officer/Coordinator, and key personnel from companies in the Group. Representatives from the respective divisions/business units within the Group are tasked with reporting key risks to the Risk Management Officer/Coordinator for the attention of the MRC.</p> <p>The Risk Management framework entails identifying and reviewing existing and potential key risk factors afflicting or may likely affect the Group's businesses. These identified risks are managed and mitigated through an action plan developed by the MRC and sanctioned by the GRMC with the Board's endorsement.</p> <p>Key business risks are identified and categorised to highlight the sources of risk, the severity of the risk and its effect on the Company or Group's performance and the likelihood of its occurrence. The risk assessment takes into account all aspects of the businesses and its internal control framework, the control environment and control activities, information, communication and monitoring procedures. Periodic reviews are conducted to identify new risks and a thorough assessment of the risk previously identified remains relevant.</p>
<b>Explanation for departure</b>	:	

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

**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.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	Audit and Risk Management Committee("ARMC") was established to undertake the responsibilities and duties related to external audit and Internal audit processes, including issues pertaining to the system of internal control, risk management and governance within the Group.

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In establishing the annual internal audit plan, the outsourced internal auditor, Resolve IR Sdn Bhd("RESOLVE") held meeting with the Director of Corporate Strategies for the Group who is actively involved in reviewing its business operations' risks and is conversant with the key risks faced by the Group. Based on his proposals and RESOLVE's experience in the industry, RESOLVE will develop the internal audit plan identifying the entities and business processes to be reviewed.</p> <p>The proposed annual internal audit plan was presented to the ARMC at one of its scheduled meetings during the financial year. The ARMC members deliberated the proposed annual internal audit plan to ensure adequacy of coverage and approved the plan for execution by the internal auditor.</p> <p>During the quarterly ARMC meetings, during which the internal audit findings are presented, the ARMC may highlight areas of weaknesses or deficiencies or identify emerging risks (if any) and instruct RESOLVE to carry out an internal audit review of the corresponding business processes thereby ensuring that the internal audit function carried out are aligned to the risks faced by the Group. Hence, a risk-based approach is adopted in identifying entities and related business processes for internal audit reviews.</p> <p>The composition, summary of activities and terms of reference of the ARMC are found in the Audit and Risk Management Committee Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Corporate Governance Overview Statement disclosed that, to the best of its knowledge, RESOLVE’s internal audit personnel do not have any personal ties nor relationships or conflicts of interest with INNITY’s Board members or management staff which could impair its objectivity and independence.</p> <p>During the financial year under review, the number of RESOLVE staff assigned for the internal audit review ranged from 3 to 4 per visit. This included RESOLVE’s engagement partner, Mr Choo Seng Choon. Mr Choo Seng Choon has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Chartered Member of the Institute of Internal Auditors Malaysia, a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow member of the Association of Chartered Certified Accountants, United Kingdom. The internal audit function has been conducted using a risk-based approach under the guidelines provided by the International Professional Practices Framework (“IPPF”), the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board values transparency and accountability to its shareholders, media personnel and investors.</p> <p>The Company reaches out to these stakeholders through timely disclosures via various public announcements, through organising investor briefing whether in virtual form or physically upon issuance of the Annual Report during the Annual General Meeting.</p> <p>Furthermore, stakeholders able to access the Group business and financial information announcements through the Company website.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

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

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Sufficient notice is given to INNITY shareholders for this purpose. For instance, INNITY's last Annual General Meeting (16 <sup>th</sup> AGM) was held on 2 June 2023 while notice was given on 26 April 2023, more than 28 days prior to the AGM.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Company held a physical AGM on 2 June 2023.</p> <p>Full attendance of directors is considered common courtesy as the Chairman and respective heads of the various Board Committees do have an obligation to interact with shareholders and provide meaningful response to questions addressed to them.</p> <p>In the 16<sup>th</sup> AGM, the Company recorded full directors' attendance. The Chairman of the Board responded to the shareholders' questions which were clear, concise and meaningful.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### 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.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company 14<sup>th</sup> and 15<sup>th</sup> AGM were held virtually using remote participation and voting (“RPV”) facilities provided by Tricor Investor and Issuing House Services Sdn. Bhd. (“Tricor”) via its <b>TIIH Online</b>. Upon entering the Endemic phase of Covid-19 on 1 April 2022, Innity 16<sup>th</sup> AGM and forthcoming AGM are held physically due to the return to normal life and in view of the small size of shareholders. Furthermore, the AGM venue was easily accessible since prior AGM held in the same venue since 2010.</p> <p>In the 14<sup>th</sup> and 15<sup>th</sup> AGM, Tricor Malaysia has implemented an IT policy and information Security policy, endpoint controls, data classification for cyber hygiene practices for the safety of its staff. In addition, the TIIH Online is hosted in a secure cloud platform and the data centre is certified by ISO27001.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### 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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: All directors were in physical meeting with full attendance at the 16 <sup>th</sup> AGM.  The 16th AGM held on 2 June 2023 was a physical meeting. Shareholders who "attended" the 16 <sup>th</sup> AGM were able to speak and posed questions to the Board Chairman and questions raised by shareholders were addressed and explained with clarity and objectively.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**Intended Outcome**

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

**Practice 13.5**

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

*Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company 16<sup>th</sup> AGM was held physically due to the small size of shareholders which is less expensive compared to a virtual general meeting. The Company's AGM was held in the same venue since year 2010. The venue was easily accessible and familiar to most Company's shareholders.</p> <p>Shareholders who "attended" the 16<sup>th</sup> AGM were able to speak and posed questions to the Board in the physical AGM and the Board Chairman addressed the questions accordingly. Shareholders of the Company can vote in person or appoint a proxy, proxies or corporate representative(s) to vote on his/her behalf.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**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>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Minutes of the AGM were prepared and circulated to the shareholders within 30 business days via INNITY's website at <a href="http://www.innity.com">www.innity.com</a>
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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