

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0094
COMPANY NAME : INIX TECHNOLOGIES HOLDINGS BERHAD
FINANCIAL YEAR : June 30, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

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

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	Applied
Explanation on application of the practice	<p>In view of the continued challenging operating environment amid the impact of the Coronavirus Disease 2019 ("COVID-19") pandemic, it brings to the fore the importance of a resilient Board leadership where focus is placed on facilitating recovery and adaptation of the current impact of the COVID-19 pandemic to the business. The Board believes that the way we navigate, manage and adapt to the crises will largely influence our success, long-term resilience and agility in a changed world.</p> <p>The Board of Directors is ultimately responsible for setting the INIX Group's direction, assisting in the fine-tuning of corporate strategy, and ensuring that the required resources are in place to accomplish the company's objectives and defend the interests of its shareholders and stakeholders.</p> <p>The Board recognises that INIX's business mission and goals require a strong corporate governance culture based on the principles of transparency, objectivity, and honesty. The Board has delegated its specific powers to the relevant Board Committees, the Executive Directors, in order to ensure the successful performance of its tasks.</p> <p>To carry out the Board's oversight responsibility, three (3) committees have been established: the Audit Committee (AC), the Nomination Committee (NC), and the Remuneration Committee (RC). These Board Committees each have their own set of responsibilities, which are all governed by well stated terms of reference that may be seen on INIX's website at www.inix.com.my.</p> <p>The Executive Directors and a Management Team, which play a crucial role in setting the tone from the top in championing behaviour in committing to ethical values and our INIX working philosophy, are tasked with putting the Board's strategies into action. Meanwhile, the Board of Directors is ultimately</p>

	<p>accountable for the Company's corporate governance and operations. The Executive Directors are responsible to the Board for achieving the Group's mission, goals, and objectives while staying within management's constraints. On a quarterly basis, the Executive Directors and Management Team report to the Board on the Group's operational, regulatory, and financial performance.</p> <p>In carrying out its tasks, the Board retains complete responsibility for steering and supervising the Company. During the current fiscal year, the Board discussed the Preliminary Financial and Operational Targets for 2021, as well as the 5-Year Strategy Plan from 2021 to 2025. The Board evaluates management's performance on a regular basis and provides leadership within a framework of prudent and effective controls that allow risks to be properly assessed and managed.</p> <p>Regardless, the Board is involved in all matters that have a substantial impact on INIX's business, including but not limited to issues relating to the company's objectives and strategies, operations, finances, and personnel.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir, a Non-Independent Non-Executive Director and a well-known entrepreneur and highly respected individual within the Malaysian business community, Chairs the Board. The Chairman of the Board's responsibilities are spelled out in detail in the Board Charter, which may be seen on INIX's website as follows:</p> <ul style="list-style-type: none"> a) setting the Group's principles and ethical standards, instituting sound corporate governance processes, and ensuring the Board's leadership and effectiveness. b) displaying excellent commitment and judgement in managing the management function; offering leadership; c) ensuring that the Company's actions are made in the best interests of its shareholders and other stakeholders, and that they accurately reflect the Board's consensus. d) facilitating board meetings to ensure that all Directors contribute effectively and that dissident opinions are freely voiced, as well as promoting an open culture in which no one Director dominates the discussion. e) leads the Board in establishing major policies and directions, as well as ensuring that the Board adheres to its charter requirements. f) ensures that Directors are fully briefed on topics matters that arise during Board meetings, that adequate time is allotted for discussion of complex or essential issues, and that, when appropriate, informal meetings are scheduled ahead of time to allow for comprehensive preparation so that, in the end, good and well-informed choices may be made.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>In INIX, different individuals hold the offices of Chair of the Board and Executive Directors. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir, the Board's Chair, leads the Board with a keen focus on governance and compliance while ensuring its effectiveness, while the Executive Directors, Dato' Zhang Li and Mr. Siva Kumar Kalugasalam, ensure effective implementation of the Board's policies, achieve strategic and performance targets, exercise high levels of business judgement, and oversee the relationship between the Company, stakeholders and the public.</p> <p>The clear separation between the Executive Directors' and the Chair of the Board's positions ensures a balance of power and authority, ensuring that no single person has unrestricted decision-making ability. These are enshrined in the Board Charter, which is made available on the Company's website at www.inix.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

Application	: Applied
Explanation on application of the practice	<p>The Board is assisted by a suitably qualified and professional Company Secretary. The Company Secretary advise the Board and is qualified, experienced, and competent in fulfilling their duties under Section 235(2) of the Companies Act 2016 (the Act). The following are some of the responsibilities of the Company Secretary:</p> <ul style="list-style-type: none">a) statutory duties as specified under the Act, Listing Requirements and other relevant laws and regulations;b) updating and advising the Board on relevant guidelines on statutory and regulatory requirements periodically and the resultant implications to INIX and the Directors in relation to their duties and responsibilities;c) monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;d) attending and ensuring that all Board and Shareholders' meetings are properly convened, pertinent issues discussed and decided upon, and conclusions are properly recorded; following-up on the action points and implementation of the Board's decisions to Management;e) facilitating the provision of information to the Board and Board Committees, and between Directors and Management from time to time;f) facilitating the orientation of new Directors and assist in Directors' training and development;g) ensuring availability of information required by new Directors for the proper discharge of their duties;h) supporting the Board in ensuring adherence to Board's policies and procedures; and providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
Explanation for departure	

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

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Chair, in agreement with the Executive Directors and the Company Secretary, sets the agenda for the Board meeting. Directors receive the agenda, pertinent reports, and Board materials at least seven (7) days prior to meetings, allowing them enough time to review the information and facilitate productive discussion and decision-making during the meeting.</p> <p>Exceptions may be given for ad hoc or urgent situations when the Board of Directors agrees on short notice. The Board has a regular schedule of items that are usually on the agenda and are reviewed throughout the year.</p> <p>The Company Secretary take minutes of the proceedings and resolutions made at each Board and Committee meeting, and the minutes are circulated within a reasonable timeframe for comments and/or confirmation.</p> <p>Meeting minutes include major deliberations, reason for each decision, any reservations or dissenting issues, and situations where Directors refrained from voting or deliberation. Each meeting's minutes are retained at the registered office.</p> <p>It is the responsibility of the Company Secretary to ensure that the Board's decisions and recommendations are communicated to the appropriate management. The Company Secretary will also follow up with Management on the status of activities taken, using past meeting minutes as a guide, in order to provide updates to the Board. All action items would be noted in the minutes of meetings as matters emerging until they were resolved.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is guided by the principles set forth in the Malaysian Code on Corporate Governance (MCCG) and the Board Charter, which defines the Board's practises and processes, as well as the roles and responsibilities of the Board, Board Committees, individual Directors, and Management, as well as matters reserved for the Board's consideration and decision-making.</p> <p>Conflicts of interest involving a substantial shareholder or approving related party transactions, material acquisitions and dispositions of assets not in the ordinary course of business, including significant capital expenditures, strategic investments, mergers and acquisitions are among the key matters reserved for the Board's full decision-making powers, as stated in the Board Charter.</p> <p>The Board Charter and Terms of Reference ("TOR") for Board Committees are periodically reviewed and updated in accordance with the needs of the Company and any new/revised regulations in ensuring optimal structure for efficient and effective decision making. In April 2021, the Board reviewed and approved the revisions to the Board Charter and TOR of the Audit Committee.</p> <p>The Board Charter and TORs are published on INIX's website at www.inix.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors has adopted a Code of Ethics and Conduct for the Group, which serves as a framework for ensuring that the Group operates in accordance with applicable laws and ethical standards. The Board of Directors and all employees of the Company and the Group are committed to following best practises in corporate governance and maintaining the highest levels of integrity and behaviour in all of the Company's and Group's activities, including interactions with customers, suppliers, shareholders, employees, and business partners, as well as within the community and environment in which they operate.</p> <p>Failure to comply with the Code of Ethics and Conduct and all applicable laws, rules, and other policies of the Group is a condition of appointment and/or employment with the Group, and failure to comply may result in the initiation of disciplinary proceedings that may lead to termination of appointment and/or employment.</p> <p>The Group's Code of Ethics and Conduct is continually assessed for its appropriateness and efficacy, with agreed-upon modifications and reporting mechanisms implemented as needed.</p> <p>The Company's Code of Ethics and Conduct is published on its website at www.inix.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place a whistle blower policy which outlines the procedures when, how and to whom employees may report and raise in good faith and in confidence, any concern about possible improprieties in matters of financial reporting or other matters. The policy has been disseminated to employees through the usual communication channel of the companies within the Group.</p> <p>The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, as far as possible, be protected from reprisal, harassment or subsequent discrimination.</p> <p>The Whistle-Blowing Policy is available on the Company's website at www.inix.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors currently consists of six (6) members, three (3) of whom are Independent Directors.</p> <p>An annual evaluation of the independence of Independent Directors is carried out. The Board was satisfied that the Independent Directors met the criteria for independence set forth in the Main Market Listing Requirements and the Company's policy on assessing director independence based on the evaluation results.</p> <p>The Independent Directors have additionally given the Company with an annual declaration/confirmation of their independence.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied - Two Tier Voting
Explanation on application of the practice	:	<p>During the financial period ended 30 June 2021, Dato' Megat Fairouz Junaidi Bin Megat Junid ("Dato' Megat") has served the Board for more than twelve (12) years since his appointment and/or election as Independent Non-Executive Directors ("INED").</p> <p>Following an assessment and recommendation by the Nomination Committee, Dato' Megat has been recommended by the Board to continue to act as INED, subject to the shareholders' approval through a two-tier voting process at the forthcoming Annual General Meeting ("AGM") of the Company</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 4.4

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The selection of Directors and Senior Management are based on merit and objective criteria that evaluate competency, experience, skills, and abilities. It also considers INIX's goals to be a diverse and inclusive organisation, giving regard to factors such as gender, age, ethnicity, and background.</p> <p>The Nomination Committee plays an important role in ensuring diversity on the Board of Directors, and it considers the following factors before making recommendations to the Board of Directors:</p> <ul style="list-style-type: none"> a) When assessing the Board's composition, to evaluate the benefits of boardroom diversity and to choose candidates based on merit and without prejudice; b) As part of the annual performance evaluation on the efficacy of the Board, Board Committees, and individual Directors, to assess the balance of skills, experience, independence, knowledge, and diversity of representation on the Board; and c) To implement the Diversity Policy into effect and track its progress toward achieving these goals. <p>The Board pursues diversity in both the Board level and Senior Management level and recognises a diverse Board in the Company could offer greater depth and breadth compared to non-diverse Board whilst the diversity at Senior Management will lead to better decisions.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5

The board discloses in its annual report the company’s policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board does not have a defined policy for appointing female candidates to the Board. The Board, on the other hand, recognises the importance of attaining a gender diversity balance on the Board. Currently, there is one (1) female director on the Board, accounting for 16.66% of the total. The present Board of Directors has the requisite knowledge, experience, and a varied range of skills and ability to properly carry out their tasks and obligations. Regardless of gender, the Board believes in and gives equal opportunity to candidates who have the necessary abilities, experience, core competencies, and other traits.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.6

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board does not rely exclusively on incumbent Board members, management, or major shareholders for suggestions. Based on the criteria mentioned, INIX engages an independent search agency to discover appropriately competent people to serve as Independent Directors of INIX.</p> <p>In carrying out its obligations in relation to the nomination, selection, and appointment process in INIX, the Nomination Committee is guided by its Terms of Reference.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.7

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

Application	:	Applied
Explanation on application of the practice	:	Dato' Megat Fairouz Junaidi Bin Megat Junid, the Chairman of Nomination Committee is a Senior Independent Non-Executive Vice Chairman.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied
Explanation on application of the practice	:	During the year, the Board had utilised the Nomination Committee to perform an internally facilitated Board evaluation. The findings and recommendations of the Board and Committee evaluations are presented to the full Board for review and action. The Board was satisfied with the conclusion, believing that the incumbent Directors' abilities and experience meet the skills matrix's standards, and that the Chairman possesses the leadership necessary to protect the interests of stakeholders and ensure the Group's profitable operation.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The Company has adopted a Remuneration Policy for the Group's Directors and Senior Management, with the primary goal of providing fair and competitive remuneration to its Board and senior management in order to recruit and retain qualified Board and senior management to successfully run the Group. A copy of the Remuneration Policy is available in the Company's website at www.inix.com.my
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	A copy of the Terms of Reference of the Remuneration Committee is available in the Company's website at www.inix.com.my
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on named basis for the remuneration of individual directors are provided in the Corporate Governance Overview Statement in the Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 7.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Senior Management's salary is currently not disclosed in the annual report for confidentiality reasons, as it could be detrimental to the Company's and individuals' interests.	
		The Board wishes to reassure shareholders that the Senior Management's remuneration is commensurate with their individual performance, taking into account the Group's performance and key performance metrics. A yearly market benchmark is also done to maintain a competitive overall compensation level in comparison to the market.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 7.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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 8.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee (“AC”) comprises three (3) independent Non-Executive Directors</p> <p>The AC is chaired by Edwin Silvester Das, an Independent Non-Executive Director, with more than 26 years of experience in banking career and has been exposed to both commercial and investment banking, risk management, restructuring and corporate finance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.2

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>None of the members of the Audit Committee (“AC”) were previously major audit partners of INIX's External Auditors.</p> <p>According to the AC's Terms of Reference, a former key audit partner must observe two (2) years cooling - off period before being appointed as an AC member by the Company or any of its affiliated corporations. This is to ensure that the External Auditors' objectivity, effectiveness, and independence are maintained.</p> <p>The Terms of Reference of the AC is accessible on INIX’s website at www.inix.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognised the importance of a competent Audit Committee ("AC") in guaranteeing the integrity of reporting and audit quality and aiding investors in making informed decisions.</p> <p>This responsibility is fulfilled by analysing the Company's financial statements and quarterly results in the presence of external and internal auditors to guarantee completeness, adequacy, and accuracy before recommending them for approval by the Board of Directors.</p> <p>The AC examines the external auditors' reappointment, salary, and terms of engagement on a yearly basis. External auditors' independence, objectivity, and service standards are assessed through a structured review system that includes, among other things, examining external auditors' performance and quality of work, ability to meet deadlines, timeliness of critical deliverables, and provision of non-audit services.</p> <p>For the year 2021, the AC conducted an assessment of the external auditors. The amount of knowledge, technical competence, capacities, adequacy of specialist support, accessibility of senior audit partners, and time commitment were all factors considered. The external auditors verified their independence to the Board in accordance with the Malaysian Institute of Accountants' By-Laws on Professional Independence.</p> <p>The AC was satisfied with Messrs. SBY Partners PLT's technical competency and audit independence after the assessment. The AC had recommended that shareholders approve Messrs. SBY Partners PLT's reappointment as External Auditors of the Company at the coming Annual General Meeting.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee ("AC") comprised of 3 members, all of them are Independent Directors. This met the requirements of Rule 15.09 (1) of the ACE Market Listing Requirements.

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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") members possess a wide range of relevant skills and expertise, as well as financial literacy, to enable the AC to carry out its duties in accordance with its Term of Reference.</p> <p>All members of AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required to enable them to effectively discharge their duties.</p> <p>The Company did not recommend any training programmes for AC members for the financial year under review due to the Covid-19 outbreak and the resulting of the Movement Control Order.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.1

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

Application	: Applied
Explanation on application of the practice	<p>The Board acknowledges its overall responsibilities for establishing an appropriate control environment which should encompass financial, operational and compliance controls as well as a risk assessment and communication frameworks; and for reviewing its adequacy and integrity. The system of internal controls is primarily designed to manage principal risks faced by the Group within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives of the Group. Accordingly, it should be noted that such system is designed to provide reasonable and not absolute assurance against material misstatement or loss.</p> <p>The Group's risk management and internal control is designed to provide reasonable assurance that business objectives are met by embedding management control into daily operations to achieve efficiency, effectiveness and safeguard of assets, ensuring compliance with legal and regulatory requirements, and ensuring the integrity of the Group's financial reporting and its related disclosures.</p> <p>The purpose of the Internal Audit function is to provide the Board, through the Audit Committee, with reasonable assurance of the effectiveness of the risk management, control and governance processes in the Group. To ensure that the responsibilities of Internal Auditors are fully discharged, the Audit Committee reviews the adequacy of the scope, functions and resources of the Internal Audit function as well as the competency of the Internal Auditors.</p> <p>The Internal Auditors also highlighted to the Audit Committee the audit findings which required follow-up action by Management as well as outstanding audit issues which required corrective action to ensure an adequate and effective internal control system within the Group.</p>
Explanation for departure	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	The Board has created a framework for developing and evaluating risk management policies and initiatives. The Statement on Risk Management and Internal Control in the Annual Report provides additional information on the Group's risk management and internal control.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Audit Committee ("AC") is in charge of overseeing and evaluating the efficacy of the Group's Internal Audit function. Internal Audit is independent of external auditors and is led by Internal Audit, which is outsourced to Vaersa Advisory Sdn. Bhd. ("Vaersa") and reports directly to the Audit Committee. The Internal Auditor attends and reports on its work during each quarter, as well as its findings, management's responses, and recommendations, at each Audit Committee meeting.</p> <p>Please refer to the Audit Committee Report in the Annual Report for further information.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 10.2

The board should disclose–

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

Application	: Applied
Explanation on application of the practice	<p>The internal audit function has been outsourced to Vaersa Advisory Sdn. Bhd. (“Vaersa”), an internal audit service provider.</p> <p>The Audit Committee receives reports from the Internal Auditors. Internal audit independence and impartiality are supported by this reporting relationship, which ensures sufficient evaluation of audit recommendations and planned corrective actions. The link also grants the Internal Audit team the necessary permission to have full, unfettered access to any and all Group operations, records, property, and persons.</p> <p>The Internal Audit function is carried out in line with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. The Internal Audit team is made up of 4 personnel headed by Quincy Gan, a qualified professional and they are free from any relationships or conflicts of interest which could impair their objectivity and independence.</p> <p>The details of the internal audit function are elaborated in the Audit Committee Report of the Annual Report 2021.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

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

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has formalised a corporate disclosure policy and procedure not only to comply with the disclosure requirements set forth in Bursa Malaysia Securities Berhad's ACE Market Listing Requirements, but also to identify the individuals authorised and responsible for approving and disclosing material information to all stakeholders.</p> <p>The Group's financial performance, significant corporate developments, and other pertinent information are quickly communicated to shareholders and investors through quarterly results releases, annual reports, corporate notifications to Bursa Malaysia Securities Berhad, and press conferences.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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 11.2

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

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

Intended Outcome

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of 16th Annual General Meeting, which was attached to the 2021 Annual Report, was delivered to shareholders at least 28 days prior to the meeting date to allow shareholders enough time to examine the resolutions that would be discussed and resolved at the AGM. A notice of AGM was also published in a major local newspaper, outlining the matter to be transacted at the meeting.</p> <p>The explanatory notes to the Notice of AGM also provide a full explanation of each resolution submitted, allowing shareholders to make well-informed judgments when exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>All the Directors shall endeavour to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the Annual General Meeting.</p> <p>The present of all Directors presented opportunities for the shareholders to engage with each Director and also allowed the shareholders to raise questions and concerns directly to the Directors.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied
Explanation on application of the practice	:	In line with the Government initiative to curb the spread of Covid-19 and Securities Commission's Guidance Note, the Company will conduct its 16 th Annual General Meeting on a virtual basis through live streaming and online remote voting.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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