

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 0166  
**COMPANY NAME** : Inari Amertron Berhad  
**FINANCIAL YEAR** : June 30, 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 PERSUANT 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 of Directors (the "Board") of Inari Amertron Berhad ("Inari" or the "Company") is steadfast in promoting a sound corporate governance culture that is grounded on the hallmarks of accountability, objectivity and transparency. As the trusted fiduciaries of the Company, Board members have demonstrated unwavering commitment in discharging their duties and responsibilities with unfettered judgment, due care and skill at all times.</p> <p>The Board bears the overarching responsibility of providing oversight and leadership to Inari and its subsidiaries' (collectively referred to as the "Group") strategic and operational direction. During the year under review, the Board has reviewed and deliberated on the short, medium and long term strategies of the Group. In meeting the Group's business objectives, the Board seeks to ensure that the highest standards of corporate governance are practised across the Group with a view of promoting long-term stakeholders' value. In order to effectively measure, monitor and assess Management's performance in achieving the Group's objectives, the Board has established a set of Key Performance Indicators ("KPIs") underpinned sustainability performance. The Board reviews reports received from Management on the Group's key financial data, performance indicators of all business units, as well as pertinent regulatory matters and subsequently, ensures that all significant matters are acted upon in a timely manner.</p> <p>The Board recognises its role in laying out the Group's ethical culture and embodying corporate value. Towards this end, the Board has established a Corruption Risk Management Framework and adopted a Group-wide Code of Business Conduct and Ethics and Anti-Corruption and Bribery Policy that is ingrained at every level of the Group's operational framework</p>

to ensure that business is conducted in an ethical and professional manner that is efficient and fair to all parties. The Board, through the Audit Committee, oversees the implementation of the Anti-Corruption and Bribery Policy across every level of the Group, which articulates the acceptable practices and guide the behaviour of Directors, Management and employees.

In an effort to promote long-term sustainability of the Group, economic, environmental and social (“EES”) considerations and good corporate governance practices have been incorporated into the Group’s business strategies. The Board has oversight on climate change, health and safety and human rights and is supported by the Sustainability and Risk Management Committee (“SRMC”) in overseeing the sustainability matters of the Group, identifying principal risks and business sustainability strategies alongside the Senior Management, and ensuring their adherence to appropriate risk mitigation and sustainability efforts within the Group. An aspect of economic sustainability that is at the forefront of the Group’s agenda is the ongoing adoption of the Industry 4.0 framework which will prepare the Group for the fourth industrial revolution that sees manufacturing moving towards digitalisation and decentralisation. The Industry 4.0 framework is positioned to be at the center of the Group’s economic sustainability strategy in promoting innovation and market competitiveness.

There is an open and transparent line of communication between the Board and the Group’s diverse stakeholders which is essential to the overall performance of the Company. The Company’s website is continuously updated with the latest developments of the Group to ensure timely dissemination of information that is both accurate and complete. In order to supplement this effort, Management has actively engaged with investors and market analysts via conferences and briefing sessions conducted by the Group.

The Board is to oversee and encourage a balanced, comparable and measurable form of reporting which clearly underpins the value of the Group’s operations across financial and non-financial perspectives and communication of the relationship across how the Group’s strategy, performance, governance and prospects are integrated.

The Board is also to ensure the orderly succession of the Board and Senior Management, oversee the undertaking of annual evaluation of the Board, its Committees and each individual Director, and ensure there is a fair and transparent remuneration process in deciding the remuneration packages for Directors and Senior Management.

The Company’s Board Charter which defines the duties and responsibilities of the Board can be found on the Company’s website at [www.inari-amertron.com](http://www.inari-amertron.com).

<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 chaired by Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, a Non-Independent Non-Executive Chairman.</p> <p>As the Chairman of the Board, Y.A.M Tengku Aishah is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The Chairman is required, amongst others, to undertake the following responsibilities:</p> <ul style="list-style-type: none"><li>• Ensure the smooth functioning of the Board;</li><li>• Chair Board meetings, including promoting active interaction between Directors and allowing dissenting views to be democratically expressed;</li><li>• Set the board agenda with the assistance of the Group Chief Executive Officer ("Group CEO"), Group Chief Financial Officer ("Group CFO") and Company Secretaries;</li><li>• Ensure a balanced composition of skills, knowledge and experience within the Board and inculcate a positive culture in the Board;</li><li>• Ensure that decisions are taken on a sound and well-informed basis;</li><li>• Manage the interface between the Board and Management and maintain a positive relationship with the Group CEO;</li><li>• Ensure effective communication with stakeholders and that their views are communicated to the Board as a whole;</li><li>• Act as the main representative of the Group along the Group CEO at meetings with shareholders;</li><li>• Ensure the integrity and effectiveness of the Group's governance processes;</li><li>• Oversee and facilitate the Board, Board Committees and individual Director's evaluation; and</li><li>• Lead the discussion on recommendations from Board Committees in pursuit of Board's approval or ratification.</li></ul> <p>The role and responsibilities of the Chairman are enunciated in the Board Charter, which is made available on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.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

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>The Board recognises the importance of separation of authority between the Chairman and CEO to promote accountability and facilitate division of responsibilities. This approach not only safeguards the interest of our stakeholders but also facilitates effective governance within the organisation. Presently, the office of the Chairman is occupied by Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, whilst the position of the Group CEO is held by Mr Lau Kean Cheong, who also serves as an Executive Director on the Board.</p> <p>The Board has consciously demarcated the positions of the Chairman and the CEO in order to allow the Board to exercise objective and unbiased oversight of Management. The separation of power ensures a good balance of power and authority, prevents any single individual from dominating proceedings and dictating the decision-making process.</p> <p>As the Chairman, Y.A.M. Tengku Aishah is responsible for providing leadership to the Board in overseeing Management and the Group's overall strategic directions. Meanwhile, as the Group CEO, Mr Lau Kean Cheong is responsible for the day-to-day operations of the Group and the effective performance of the Management team.</p> <p>A detailed account of the respective roles and responsibilities of the Chairman and the Group CEO is enclosed in the Board Charter, which is made available on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.com</a>.</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

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>On 13 March 2023, the Chairman of the Board, Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, stepped down from the position of Chairman of the Nomination Committee and member of the Audit Committee.</p> <p>Following this transition, the Chairman of the Board of Inari no longer serves as a member of the Audit Committee, Nomination Committee and Remuneration Committee. This move aims to enhance objectivity during boardroom deliberations and foster impartiality in the decision-making process.</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 1.5

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>In discharging the Board's duties and oversight function, Directors have unrestricted access to the services of the Company Secretaries. The office of the Company Secretaries is jointly held by Ms Chow Yuet Kuen (MAICSA 7010284) and Ms Lau Fong Siew (MAICSA 7045893).</p> <p>As members of the Malaysian Institute of Chartered Secretaries and Administrator ("MAICSA"), the Company Secretaries are qualified and well-positioned to undertake the role. Both Ms Chow and Ms Lau fulfilled requirements on qualifications of company secretaries as enshrined in Section 235(2) of Companies Act 2016.</p> <p>The Company Secretaries provide advice to the Board on corporate disclosures and compliance with company and securities law and regulations including Listing Requirements and to notify the Chairman of the Board and Board Committees of any possible violations pertaining to regulatory requirements. The Company Secretaries also monitor and update the Board on corporate governance developments and assist the Board in applying governance practices. As members of a professional body, the Company Secretaries attend training and seminars to keep themselves abreast of the latest developments in the corporate governance realm.</p> <p>The Company Secretaries have attended and facilitated all Board meetings and Board Committees meetings. In fulfilling their role, the Company Secretaries have ensured the timely and accurate record-keeping of meeting minutes, which contain detailed proceedings of the Board and Board Committee meetings.</p> <p>In addition, the Company Secretaries are responsible for advising the Board on its obligatory requirements to disclose material information to shareholders and relevant regulators in a timely manner.</p> <p>The duties and responsibilities of the Company Secretaries are codified in the Board Charter, which is made available on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.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

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>As a long-standing practice, the Company Secretaries, together with Management and the Chairman of the Board, prepare a tentative calendar of the Board and Board Committee meetings for the year which will subsequently be distributed to all Directors in advance. The advanced planning accords Directors with adequate time to plan ahead and make the necessary arrangements to attend the aforementioned meetings.</p> <p>During FY2023, the Board conducted 5 meetings. Notice of Board or Board Committee meetings including a formal meeting agenda is distributed to the Directors in a timely manner prior to such meetings via electronic modes and subsequently followed with printed copies. The notice of the meeting is accompanied by the relevant Board papers such as Board Committee Reports, relevant regulatory materials and financial reports. In preparing the Board papers, Management is mindful in ensuring that they are presented in a concise and cogent manner to allow Directors to decipher and dissect the information efficiently.</p> <p>Directors are additionally accorded the right to obtain independent professional advice at the Company's expense, as deemed necessary for the effective discharge of their duties.</p> <p>The Company Secretaries keep contemporaneous records of the minutes of Board and Board Committee meetings. The meeting minutes detail the proceedings of the meetings, including key deliberation points, dissenting views, voting outcome and rationale behind each decision made during the meetings.</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

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 Board Charter serves as the primary point of reference and induction literature on governance matters for new and incumbent Directors.</p> <p>The Board Charter is subjected to periodic reviews to ensure it reflects recognised best practices and regulatory promulgations whilst simultaneously ensuring it remains relevant to the needs of the Company.</p> <p>The Board Charter amongst others encompasses provisions in the following overarching areas:</p> <ul style="list-style-type: none"> <li>• Board composition, size, structure and independence;</li> <li>• Board diversity and mix of skills, experience and competencies;</li> <li>• Roles of the Chairman, Vice-Chairman, Group CEO and Company Secretaries;</li> <li>• Roles and responsibilities of the Board;</li> <li>• Matters reserved for the Board;</li> <li>• Board Committees;</li> <li>• Board processes and procedures;</li> <li>• Appointments, re-appointment and removal of Directors;</li> <li>• Tenure of Independent Directors;</li> <li>• Board Evaluation;</li> <li>• Directors' Remuneration;</li> <li>• Directors and officers liability insurance;</li> <li>• Familiarisation for newly-appointed Directors;</li> <li>• Directorships in other companies;</li> <li>• Board meetings and supply of information;</li> <li>• Access to information and independent professional advices;</li> <li>• Code of business conduct and ethics;</li> <li>• Whistleblowing policy and procedures; and</li> <li>• Relationship between the Board and stakeholders.</li> </ul>

	<p>On 23 September 2022, the Board reviewed and approved various enhancements to the Board Charter and the respective Board Committees' Terms of Reference to incorporate the good practices recommended in the Malaysian Code on Corporate Governance 2021. In addition, on 22 September 2023, the Board reviewed and approved enhancement to the Board Charter, Terms of Reference of Audit Committee and Code of Business Conduct and Ethics to incorporate the amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") in relation to conflict of interest.</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

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>The Board acknowledges its role in propagating ethical standards and values across the different levels of the Group and thus, has taken the initiative to formalise a Group-wide Code of Business Conduct and Ethics ("Code") and Anti-Corruption and Bribery ("ACB") Policy. The aforementioned documents serve as a policy to provide direction and guidance governing both Directors and employees in their day-to-day professional conduct and decision-making process. The Code is underpinned by the core tenets of trust, loyalty, integrity, honesty, commitment, dedication, diligence and professionalism. The adoption of the Code and ACB Policy signifies the Board's commitment to promoting a healthy corporate culture that is anchored on professional and ethical business conduct. The Code and ACB Policy are extensive document that, amongst others, provide guidance in the following areas:</p> <ul style="list-style-type: none"><li>• Business integrity, including guidance on acceptance or provision of gifts, benefits and entertainment, conflict of interest situations, corruption and money laundering;</li><li>• Disclosure of information, including provisions on data privacy, competition and fair dealing and confidential information;</li><li>• Protection of intellectual properties and assets;</li><li>• Conduct of Directors and employees;</li><li>• Whistleblowing processes;</li><li>• Dealing with corruption including exercise of proper care and judgement in respect of giving or receiving gifts, benefits and entertainment;</li><li>• Reporting of facilitation payments or kickbacks to the Company; and</li><li>• Employees training and communication to all the associated third parties.</li></ul>

### Code of Business Conduct and Ethics

The Code defines our high expectation on all Directors and employees to carry out good business practice and high personal conduct, with strict adherence to local laws and regulations. The Code also states explicitly that all forms of insider information and securities trading, bribery and corruption are prohibited. The Code also forbids Directors and employees from offering and accepting gifts, benefits or entertainment from third parties which may create a sense of obligation, compromise their professional judgment or create an appearance of doing so.

We continue to communicate and institutionalise the Code to all Directors and employees to ensure they uphold and are aligned with our ethical standards. Each employee will receive a copy of the Code which forms an integral part of the terms and conditions of employment. Annually, all Directors and employees are required to make declarations to observe strictly and apply the provisions encapsulated within the Code.

In accordance with the Group's Code of Business Conduct and Ethics, Directors and employees shall make a voluntary declaration (in addition to the annual declaration for Directors and Key Senior Management and on boarding declaration for other employees), when there is any related party transaction and/or conflict of interest situations that arose, persist or may arise within the Group including transaction and measures taken to resolve, eliminate or mitigate such conflicts.

In FY2023, there were no cases of non-compliance and breach of ethical issues reported within the Group.

### Anti-Corruption and Bribery Policy

Inari Group's businesses and operations are governed under an anti-bribery management system developed in conjunction with the introduction of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which took effect on 1 June 2020. The system adopts a risk-based management approach and is supported by adequate procedures incorporating top-level commitment, corruption risk assessments, risk-based management measures, monitoring, review and reporting processes, and adequate communication and training with relevant stakeholders to enable the implementation of our group-wide ACB Policy.

We strictly prohibit any of our Directors, employees and associated third parties (which may include but not limited to suppliers, contractors, agents, consultants, outsourced personnel, distributors, advisors, government and public bodies including advisors, representatives and officials) from taking part in any form of corruption, bribery, extortion,



embezzlement or any kind of money laundering activities.

Our ACB Policy has been approved and governed by our Board on the ethical framework, adequacy and integrity of the internal controls system in ensuring overall ethical health and compliance level with professional and ethical standards in managing risks of corruption, bribery and money laundering. The Policy covers salient areas pertaining to corruption and bribery such as gifts, entertainment, donations, and sponsorships. The Policy also necessitates strict adherence by all parties across the supply chain. Annually, we will review the Policy's relevance based on the latest regulations and requirements.

All parties, who are subject to our ACB Policy, are required to complete a Corporate Social Responsibility, Donation and Sponsorship Form and Due Diligence Checklist and obtain approval from the relevant approving authority if they intend to provide or receive any sponsorships, donations and contribution to charity or social projects on behalf of the Company.

We do not make charitable donations or contributions to political parties. Whilst our employees and associated third parties acting in their personal capacity are not restricted to make any personal political donations, Inari will not make any reimbursement for these personal political contributions back to its employees or the associated third parties.

The ACB Policy has been adequately communicated to all Directors, employees and associated third parties through various communication channels, trainings and published on our corporate website. The adoption of anti-corruption and bribery culture in business operations and familiarisation with ACB Policy as well as Whistleblowing Policy and Procedures was facilitated through various training sessions attended by Directors, senior management and employees. During the financial year, the employees attended various trainings on anti-corruption and bribery organised by the human resource and training department. All stakeholders including Directors, employees and third parties associated with Inari Group are expected to promptly report, via the established whistleblowing channels as provided for in the Whistleblowing Policy and Procedures, of any suspicious transactions that may indicate corruption, bribery or money laundering.

Our Board, through Audit Committee, maintains oversight of the ethical framework, adequacy and integrity of the system of internal control in ensuring overall ethical health and compliance level with professional and ethical standards in managing risks of corruption, bribery and money laundering. Corruption and bribery risk assessment is conducted with intermittent assessments as and when necessary to assess the corruption and bribery risks across the Group and ensure

	<p>there are adequate procedures in place to address and mitigate those risks. The assessment process takes into account the potential impact and likelihood of occurrence, effectiveness of controls in place and action plans taken to mitigate the corruption risk. Various enhancements to the current anti-corruption system, policies and procedures have been further adopted including the development and establishment of Group Corruption Risk Management Framework and Corporate Liability and Sustainability Reporting Handbook.</p> <p>In addition, Inari Technology Sdn Bhd had signed the Corruption Free Pledge on a voluntary basis led by our Group CEO and witnessed by the Deputy Director (Operation) of MACC Pulau Pinang to affirm our commitment against corruption practices.</p> <p>During FY2023, there were no reported incidents of corruption or breaches of our ACB Policy.</p> <p>The Code and ACB Policy are accessible on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.com</a>.</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**

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.

<p><b>Application</b> :</p>	<p>Applied</p>
<p><b>Explanation on application of the practice</b> :</p>	<p>The Board has put in place a Whistleblowing Policy and Procedures to promote high standards of ethical conduct. The Whistleblowing Policy and Procedures provide guidance for stakeholders to report genuine concerns of potential malpractices or misdemeanors relating to the Group.</p> <p>The Whistleblowing Policy and Procedures conscientiously define acts that would constitute misconducts and incorporates provisions that safeguard the identity and report content of the whistleblower. The Whistleblowing Policy and Procedures outline the reporting procedure and designated channels for directors, employees, shareholders, suppliers, customers and other stakeholders who have a business relationship with Inari to report suspected wrongdoings, unethical behaviours or workplace grievances that may cause adverse impact to the Group. The types of reportable concerns and misconduct that can be reported through whistleblowing channel and mechanism include but not limited to corruption and bribery, breach of the provisions in the Group’s Code of Business Conduct and Ethics.</p> <p>The whistleblowing reporting channels include making a report directly to the employees’ immediate superior or to the designated officers up to the Audit Committee Chairman. A report can be made verbally or in writing via email or via the whistleblowing disclosure form as set out in the Whistleblowing Policy and Procedures. Alternatively, employees may make report via a whistleblowing hotline managed by an independent third party. The Group treats all reports in a confidential manner and at the same time the whistleblower shall be accorded with the protection of confidentiality of identity to the extent reasonably practicable, and protection against any adverse and detrimental actions and retaliation of all forms. Any whistleblowing cases, findings and appropriate course of action will be reported to the Audit Committee.</p> <p>During FY2023, there were no whistleblowing cases reported through the established reporting channels. The</p>

	<p>Whistleblowing Policy and Procedures are subjected to a periodic review by the Audit Committee. During the financial year under review, the Whistleblowing Policy and Procedures have been enhanced to strengthen the reporting process and procedures.</p> <p>The Whistleblowing Policy and Procedures are accessible on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.com</a>.</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

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 SRMC, established since 2018, is entrusted with the responsibility of overseeing risk management and sustainability matters, including economic, environmental, social and governance matters in the Group's business strategies. The primary responsibilities of the SRMC are to assist the Board in overseeing the sustainability matters of the Group, identifying principal risks and business sustainability strategies alongside the Senior Management, and ensuring implementation of determined action plan and adherence to appropriate risk mitigation and sustainability efforts within the Group. The SRMC is assisted by the Group CEO and Group CFO, who are supported by the Sustainability and Integrity Working Group ("SIWG"), in providing the overall direction, lead strategic decision making and review sustainability implementation, and performance &amp; risk management in an integrated manner.</p> <p>The SIWG, led by the Group CEO, comprises management team and representatives from various departments and is responsible to undertake the process of materiality assessment, as well as, executing and implementing sustainability initiatives and monitoring their progress. We have further strengthened our sustainability governance structure by the development and enhancement of the Sustainability Reporting Handbook and Framework, Corporate Liability and Corruption Risk Management Framework.</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 4.2

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>The Board understands the importance of the various stakeholders who have a significant impact in our operations, and therefore, the success of our business is dependent on maintaining communication and strong relationships with our stakeholders, especially on the Group's sustainability strategies, priorities and targets as well as performance against these targets.</p> <p>To this end, the Group has disclosed our sustainability journey through the preparation of Sustainability Statement since 2017, which is encapsulated in the Company's Annual Report. Through the Sustainability Statement, we provide an overview of our strategies and performance and how we manage our key economic, environmental, social and governance matters, which covers all our operations in Malaysia, Philippines and China.</p> <p>The Sustainability Statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is in adherence to best practice sustainability guidelines, standards and frameworks as follows:</p> <ul style="list-style-type: none"><li>• Global Reporting Initiative ("GRI") Standards;</li><li>• FTSE4Good Bursa Malaysia Index's Environmental, Social and Governance indicators; and</li><li>• United Nations Sustainable Development Goals ("UNSDGs").</li></ul> <p>Besides our publicly available Sustainability Statement and our corporate website, the Group also actively engages with our stakeholders on sustainability matters through other platforms and channels which include internal townhall meetings, quarterly analyst briefings and our Annual General Meeting ("AGM"). The Group aims to abide by the best practice sustainability guidelines and to ensure all our stakeholders are aware and fully informed of our commitment towards good ESG practices across all our operations.</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>The Board, supported by the SRMC, remains significant in overseeing the sustainability matters of the Group, identifying principal risks and business sustainability strategies alongside the Senior Management, and ensuring their adherence to appropriate risk mitigation and sustainability efforts within the Group. In turn, the SRMC is assisted by the Group CEO and Group CFO to provide the overall direction, lead strategic decision making and review sustainability implementation, and performance &amp; risk management in an integrated manner.</p> <p>Keeping this in mind, the Board and Senior Management of the Group have been afforded the opportunity to upskill and keep themselves abreast with the market and regulatory changes, including sustainability issues such as climate-related risks and opportunities, through various training programmes and engagements conducted throughout the year under review.</p> <p>The Board acknowledges the importance of staying well-informed and abreast with the sustainability issues relevant to the Group and its businesses, including climate-related risks and opportunities. During FY2023, the Board has attended a number of continuous professional development programme covering various topics such as Leadership for Enterprise Sustainability Asia (LESA 2023). Looking ahead, the Board remains committed to maintain a proactive approach in staying updated of the latest developments, trends and best practices in sustainability, to ensure that they keep abreast with the latest developments in sustainability related matters.</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 Board assumes an active role in providing leadership for the overall strategic and operational direction of the Group. In fulfilling its fiduciary duties, the Board monitors the strategic, financial and sustainability performance of the Group whilst ensuring sound risk management and internal control framework is in place to effectively identify, monitor and mitigate the principal business risks surrounding the Group.</p> <p>The performance evaluation and remuneration for Executive Directors and Senior Management is premised on the need to reward, attract and retain individual and corporate performance whilst still recognising the need to drive the long-term sustainability of the business, and also taking into consideration the state of the economy in general, the performance of the industry and the Group in particular. In light of increasing concerns about climate change and its potential impacts on businesses, the remuneration structure also incorporates climate change risk management as a critical factor.</p> <p>As such, the determination of the Board and Senior Management's performance evaluation and remuneration has also incorporated the element of sustainability risk and opportunities to ensure that the overall Group's direction is aligned with the notion of long-term value creation and includes strategies on economic, environmental and social considerations to address climate change risk and ensure the long-term sustainability of the business. This is reflected in the Board's KPIs which are measured against the Group's sustainability performance and enunciated in the Board Charter.</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 4.5 - 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>The Board has designated the Group CEO, with the support from the Group CFO, to provide the overall direction, lead strategic decision making and review sustainability implementation, and performance &amp; risk management in an integrated manner.</p> <p>The Group CEO, alongside the Group CFO, leads the SIWG which comprises management team and representatives from various departments. The SIWG is responsible to undertake the process of materiality assessment, as well as, executing and implementing sustainability initiatives and monitoring their progress. We have further strengthened our sustainability governance structure by the development and enhancement of the Sustainability Reporting Handbook and Framework, Corporate Liability and Corruption Risk Management Framework.</p> <p>The Group CEO together with the Group CFO report material sustainability matters to the Board and the SRMC, in turn, provide oversight on the Group's corporate sustainability strategy, direction and performance.</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 Board, through the Nomination Committee, conducts an annual review of the size, balance and composition of the Board to ensure that it has the required mix of skills, diversity, expertise and experience for effective oversight of the Group's businesses. The Nomination Committee also undertakes board effectiveness evaluation annually including performance evaluation of the Directors standing for re-election and assessment of the Independent Directors and their tenure of service.</p> <p>In FY2023, an assessment was undertaken using a set of detailed questionnaires that covered matters relevant to the Board's performance, among other items, such as duties, responsibilities, competency, commitment, technical knowledge and contribution to boardroom interaction.</p> <p>For the year under review, the Board is satisfied with the present number and board composition and that all Directors have fulfilled their duties and responsibilities effectively. The Board and Nomination Committee having reviewed, the Directors who are subject to re-election at the 13<sup>th</sup> AGM, factors such as their performance and contributions and time commitment to the Group's affairs, have recommended the retiring Directors for re-election.</p> <p>The requisite details of the retiring Directors such as personal profile, shareholdings in the Company and attendance of meetings are disclosed in the Annual 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

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>At present, the Board comprises four (4) Independent Directors, three (3) Non-Independent Non-Executive Directors and five (5) Executive Directors. The current Board composition complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad where at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, must comprise Independent Directors.</p> <p>The Board recognises the value of having a majority of Independent Directors on the Board in promoting objectivity during boardroom deliberation and impartiality in the decision-making process. The presence of the majority of Independent Directors provides the necessary counterweight for Directors to encourage, support and drive each other in promoting the value creation and sustainability of the business.</p> <p>In striving towards applying this Practice, the Board is careful not to compromise on the business imperative by making unwieldy changes to its composition. The Board, with the assistance of the Nomination Committee, will continue to drive efforts in identifying candidates that are suitable for the position of Independent Director through the possession of necessary attributes and business acumens.</p> <p>As an additional safeguard, the Board Charter clearly outlines a formal schedule of matters reserved for the Board's consideration and decision. This is a conscious effort to communicate the demarcation of responsibility and thus, prevent any conflicts between the decision-making authority of the Board and the day- to-day management of the business.</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 Board intends to source for suitable candidates that can reinforce the independence of the Board and contribute to the effective governance of the Group. In order to create a more conducive environment for insightful deliberations and informed decision-making, the Board will focus on enlisting Independent

	Directors who possess strong business acumen that is conflated with a sound understanding of the Group's business.	
<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>	:	Presently, the tenure of all four (4) Independent Directors of the Company does not exceed cumulative term limit of nine (9) years.	
<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 Nomination Committee undertakes an annual review of the composition of the Board with a view to promoting a healthy level of diversity from the facets of gender, age, ethnicity, skills, qualifications and experience.</p> <p>In recommending the appointment or election/re-election of Directors, the Nomination Committee takes into consideration the skills, expertise and experience of candidates and measures these traits against the prevailing composition of the Board so as to ascertain the overall fit of the Directors within the Board. The Nomination Committee also considers the business imperative and assesses the ability of candidates to contribute value towards achieving the Group's business objectives.</p> <p>The Board presently constitutes of members with a diverse set of expertise, experience and skill sets (i.e. technology, engineering, macroeconomics, accounting, treasury &amp; corporate finance and risk management &amp; corporate governance).</p> <p>The Board has adopted a Directors' Fit and Proper Policy to ensure a person to be appointed or re-elected as Director of the Company possesses the necessary character and quality as well as integrity, competency and commitment.</p> <p>The employment of Senior Management personnel which includes Executive Directors and C-suite members at Group level is equally based on an objective set of criteria which covers diverse skill sets and experience. Members of the Senior Management team have the substantive qualification and industry experience, particularly in semiconductor technology which is integral to Inari's core business operations.</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>	:	<p>The Nomination Committee is delegated with the responsibility to identify and assess suitable candidates for directorships in the Company if there is a need to fill vacancy due to resignation, retirement or to appoint additional Directors with a view to strengthen board composition and mix of skills and expertise.</p> <p>Nevertheless, the Board is always open to leveraging on third party sources such as independent search firms and directors' registries in order to "cast a wider net" and gain access to a wider talent pool that would otherwise be beyond the Board's radar.</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 5.7

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>The Board takes cognisance of the fact that appointment and re-election of Directors is critical in order to ensure the right individual is placed to act in the best interest of the Group as a whole. Hence, the Board ensures that shareholders have the required information prior to making a decision on the appointment or re-election of Directors.</p> <p>As disclosed in Practices 5.1 and 6.1, an evaluation has been performed to evaluate the performance of the Board, Board Committees and individual Director for FY2023 including the Directors who are subject to retirement at the forthcoming AGM. Leveraging the annual Board effectiveness evaluation, the Nomination Committee is of the opinion that the retiring Directors have discharged their duties and responsibilities effectively and provided valuable contribution to the leadership of the Board and accordingly recommends their re-election for shareholders' approval at the 13<sup>th</sup> AGM. With the recommendation from the Nomination Committee, the Board supports the re-election of the retiring Directors based on the justification as disclosed in Practices 5.1 and 6.1. A statement supporting the re-election of the retiring Directors is provided in the Statement Accompanying Notice of AGM in the Annual Report 2023.</p> <p>The requisite details of the retiring Directors such as personal profile, shareholdings in the Company and attendance of meetings are disclosed in the Annual Report.</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**

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 Nomination Committee is chaired by Datuk Mohamed Arsad Bin Sehan, an Independent Director.</p> <p>The Board is cognisant that the Chairman of the Nomination Committee must be an Independent Director, as iterated in the Nomination Committee's Terms of Reference. An independent and impartial Chairman is essential to the process of objective screening, evaluation and recommendation of potential Directors. The objectivity of the Chairman ensures that nominations are made based on merit and suitability.</p> <p>As Chairman of the Nomination Committee, Datuk Mohamed Arsad Bin Sehan undertakes the following responsibilities:</p> <ul style="list-style-type: none"> <li>• Lead the succession planning and appointment of Board members; and</li> <li>• Lead the annual review of Board effectiveness evaluation, ensuring that performance of the Board, Board Committees and each individual Director is independently assessed.</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

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>Inari has yet to achieve the target of having 30% of women directors on its Board. The Board presently has one woman Director, who also serves as the Chairman of the Board.</p> <p>It is worth noting that the Company operates within a niche sector. A dearth of female talent in the technology sector is widely acknowledged and this poses a challenge for technology-based companies to recruit talented and high-caliber individuals who can equally contribute to the gender balance on boards.</p> <p>Nevertheless, the Board views the incorporation of gender diversity in the boardroom as a long-term goal. The Board is confident that the addition of women directors on the Board will bring about varying perspectives and contribute to the refinement of the Group's strategy formulation.</p> <p>In order to ensure that the Board incorporates diverse perspectives into its discussions, the Board takes additional effort to consider reports and feedback received from the Management team. Through these efforts, the Board can harness diverse insights and viewpoints, including that from female individuals.</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 Nomination Committee, as the Board's delegate, will seek to leverage on various channels, including independent recruitment firms and directors' registries and professional body memberships to identify a wider spectrum of suitable and talented individuals for directorships, including female candidates. The NC will also focus on developing an internal pipeline of talented and high-caliber individuals by identifying and training female individuals in Management positions within the Group to assume potential directorships or Senior Management positions in the future.
<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>The Board is of the view that the element of diversity, including for gender diversity, can strengthen strategy formulation and risk management of the Group by adding varying perspectives into boardroom discussions and decision-making process whilst mitigating the perils of “groupthink” or “blind spots”. Taking a cue from the government’s policy pronouncement of having at least 30% women directors on boards, the Group aims to take incremental steps to drive efforts in recruiting female talent into both the boardroom and in Senior Management positions.</p> <p>The Nomination Committee, as the Board’s delegate, will seek to leverage on various channels, including independent recruitment firms and Directors’ registries, in order to gain access to a wider pool of candidates. The NC will also focus on developing an internal pipeline of talented and high-caliber individuals by identifying and training female individuals in Management positions within the Group to assume potential directorships or Senior Management positions in the future.</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> :	<p>FY2022 annual Board Effectiveness Evaluation ("BEE") was conducted via an independent expert, KPMG Management &amp; Risk Consulting Sdn Bhd, to assess the effectiveness of the Board as a whole and the Board Committees as well as the contribution and performance of each individual Director, including the Independent Directors.</p> <p>For FY2023, the annual BEE was conducted internally, to assess the effectiveness of the Board as a whole and the Board Committees as well as the contribution and performance of each individual Director, including the Independent Directors.</p> <p>The Board evaluation process was conducted via a set of questionnaires containing both quantitative and open-ended questions, based on self and peer-rating by the Chairman of the Board and respective Chairman of the Board Committees.</p> <p>The questionnaires are categorised into the following areas:</p> <ol style="list-style-type: none"><li>1. Board of Directors;</li><li>2. Board Skill Matrix;</li><li>3. Directors' Self Rating and Peer Assessment by the Chairman of the Board;</li><li>4. Fit and Proper Assessment;</li><li>5. Independence Assessment of Independent Directors;</li><li>6. Audit Committee Assessment and Self Rating and Peer Assessment by the Chairman of the Audit Committee;</li><li>7. Nomination Committee Assessment and Self Rating and Peer Assessment by the Chairman of the Nomination Committee;</li><li>8. Remuneration Committee Assessment and Self Rating and Peer Assessment by the Chairman of the Remuneration</li></ol>

	<p>Committee; and</p> <p>9. Sustainability and Risk Management Committee Assessment and Self Rating and Peer Assessment by the Chairman of the Sustainability and Risk Management Committee.</p> <p>For the Board and Board Committees, the criteria used include among others, board mix and composition, accountability, responsibilities, adequacy of information and processes, boardroom interaction and activities. The criteria used for the annual assessment of individual Directors include, among others, an assessment of their duties, responsibilities, competency, commitment, technical knowledge and contribution.</p> <p>Regarding the assessment of the independence of the Independent Non-Executive Directors, each Independent Non-Executive Director did a self-evaluation of his/her independence based on the criteria of independence defined under the Main Market Listing Requirements.</p> <p>Based on the assessment carried out for FY2023, the Nomination Committee concluded the evaluation outcome points towards the areas of financial administration and vigilance, efficacy of Board Committees as well as the Board Chairperson and Board Committee Chairmen possess sound leadership qualities in facilitating robust discussions and deliberations as strengths. In terms of potential enhancements, several key areas such as boardroom diversity and succession planning have been identified as key focus in FY2024.</p> <p>The outcome from the assessment has been compiled, documented and reported to the Board accordingly. Based on the report, the Board is satisfied with the performance of each individual Director, the Board as a whole and Board Committees for the financial year under review. The Director's peer review indicated that all the Directors are efficient in their respective roles and function and discharge their duties and responsibilities satisfactory in accordance with the Board Charter, the respective Board Committee's Terms of Reference and Directors' Fit and Proper Policy.</p> <p>With that, the Board has recommended the re-election of Mr. Lau Kean Cheong, Mr. Mai Mang Lee, Mr. Ahmad Ridzuan Bin Wan Idrus, Dato' Mohamad Azmi Bin Ali and Datuk Mohamed Arsad Bin Sehan who will be retiring at the 13<sup>th</sup> AGM pursuant to the Company's Constitution. Dato' Sri Chee Hong Leong, JP, who also retires pursuant to the Company's Constitution, has expressed his intention not to seek for re-election as Director of the Company. Hence, he will retain office until the close of the 13<sup>th</sup> AGM.</p>
<p><b>Explanation for departure</b></p>	<p>:</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>	:	
<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>The Board has put in place a Remuneration Policy and Procedures to govern the remuneration of Directors and Senior Management in order to attract, motivate and retain talent to lead and drive the Company's business in achieving its objectives and long-term goals. In designing the policy, the Board took into account the demands, complexities and performance of the Company as well as skills and experience required of Directors and Senior Management personnel. The document serves as the primary reference point in facilitating a fair and transparent remuneration process for Directors and Senior Management which includes Executive Directors and C-suite members at Group level.</p> <p>The remuneration policy for Executive Directors and Senior Management is anchored on the maxim "pay for performance", whereby remuneration is structured in a way that links rewards to corporate and individual performance. As for Non-Executive Directors, the remuneration packages are designed in a way that seeks to preserve their independence and objectivity. The remuneration packages of all Directors are designed with appropriate performance targets, taking into account their probity with the law as well as adherence to corporate governance practices including anti-corruption policies &amp; procedures and sustainability-related matters such as ESG, climate change and societal development.</p> <p>The remuneration policy also calls for periodic benchmarking of remuneration vis-à-vis Inari's peers to ensure that Directors and Senior Management are paid fairly and in line with market and industry norms.</p> <p>The Remuneration Policy and Procedures is available on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.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 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 Board has established a stand-alone Remuneration Committee comprising solely of Independent Directors to provide oversight on remuneration matters pertaining to Directors and Senior Management. This includes putting in place a suitable framework for remunerating Directors and Senior Management and making recommendations to the Board on the remuneration packages. The Remuneration Committee ensures that the Group’s remuneration framework provides a fair and transparent remuneration process in order to attract and retain talented individuals who can run the business successfully as well as to equip shareholders with the informed ability to ascertain that the Company’s leadership is paid fairly and competitively. The framework also includes the management of sustainability risks and opportunities in the performance evaluations of the Board and Senior Management.</p> <p>The Remuneration Committee is also provided with the authority to consult external advisors in reviewing and determining the robustness of the Group’s remuneration framework.</p> <p>The Terms of Reference of the Remuneration Committee is periodically reviewed by the Board and is made available on the Company’s website at <a href="http://www.inari-amertron.com">www.inari-amertron.com</a>.</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

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>	:	<p>The remuneration received/ receivable by the individual Directors for the financial year ended 30 June 2023 is presented below. The disclosure is made in accordance with Paragraph 11, Part A, Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The share options under the Company's Employees' Share Option Scheme ("ESOS") granted to Directors of the Company and the equity-settled share-based payment transactions are disclosed in the Additional Compliance Information on pages 145 to 149 of the Annual Report and Notes 26 and 36 to the Financial Statements.</p>

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	Dato' Dr Tan Seng Chuan	Executive Director	-	-	-	-	-	-	-	-	-	360	1,063	-	298	1,721
2	Lau Kean Cheong	Executive Director	-	-	-	-	-	-	-	-	-	903	3,460	-	956	5,319
3	Dato' Wong Gian Kui	Executive Director	-	-	180	543	-	87	810	-	-	180	543	-	87	810
4	Ho Phon Guan	Executive Director	-	-	-	-	-	-	-	-	-	276	849	-	135	1,260
5	Mai Mang Lee	Executive Director	-	-	-	-	-	-	-	-	-	276	531	-	97	904
6	Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	Non-Executive Non-Independent Director	155	6	-	-	-	-	161	155	6	-	-	-	-	161
7	Dato' Sri Thong Kok Khee	Non-Executive Non-Independent Director	104	4	-	-	-	-	108	104	4	-	-	-	-	108
8	Datuk Phang Ah Tong	Independent Director	173	9	-	-	-	-	182	173	9	-	-	-	-	182
9	Ahmad Ridzuan Bin Wan Idrus	Non-Executive Non-Independent Director	96	4	-	-	-	-	100	96	4	-	-	-	-	100
10	Dato' Mohamad Azmi Bin Ali	Independent Director	72	2	-	-	-	-	74	72	2	-	-	-	-	74
11	Datuk Mohamed Arsad Bin Sehan	Independent Director	59	2	-	-	-	-	61	59	2	-	-	-	-	61
12	Dato' Sri Chee Hong Leong, JP	Independent Director	46	2	-	-	-	-	48	46	2	-	-	-	-	48
13	Thong Mei Chuen (Alternate Director to Dato' Sri Thong Kok Khee)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Foo Kok Siew (Retired w.e.f. 23 Nov 2022)	Independent Director	69	5	-	-	-	-	74	69	5	-	-	-	-	74

# Meeting allowance

\* Include Defined Contribution Plan and other allowances

	Fees (RM'000)		Salary, Bonus, EPF and Other Emoluments* (RM'000)		Meeting Allowance (RM'000)		Total Remuneration (RM'000)	
	Company	Group	Company	Group	Company	Group	Company	Group
Executive Directors	-	-	810	10,014	-	-	810	10,014
Non-Executive Directors	774	774	-	-	34	34	808	808
<b>Total</b>	774	774	810	10,014	34	34	1,618	10,822

Remuneration Band	Executive Directors	Non-Executive Directors
RM1 to RM50,000	-	1
RM50,001 to RM100,000	-	4
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	-	2
RM800,001 to RM850,000	1	-
RM900,001 to RM950,000	1	-
RM1,250,001 to RM1,300,000	1	-
RM1,700,001 to RM1,750,000	1	-
RM5,300,001 to RM5,350,000	1	-
	5	8

**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	
<b>Explanation on application of the practice</b>	:	The five (5) Executive Directors on the Board constitute the top five Senior Management personnel with the highest-paid within the Group. Their remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000 as presented below:	
<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	Group RM ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Dato' Dr Tan Seng Chuan	Executive Director	350,001-400,000	Choose an item.	1,050,001-1,100,000	Choose an item.	250,001-300,000	1,700,000-1,750,000
2	Lau Kean Cheong	Executive Director	900,001-950,000	Choose an item.	3,450,001-3,500,000	Choose an item.	950,001-1,000,000	5,300,001-5,350,000
3	Dato' Wong Gian Kui	Executive Director	150,001-200,000	Choose an item.	500,001-550,000	Choose an item.	50,001-100,000	800,001-850,000
4	Ho Phon Guan	Executive Director	250,001-300,000	Choose an item.	800,001-850,000	Choose an item.	100,001-150,000	1,250,001-1,300,000
5	Mai Mang Lee	Executive Director	250,001-300,000	Choose an item.	500,001-550,000	Choose an item.	50,001-100,000	900,000-950,000

**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>	:	

**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>	:	<p>The Chairman of the Audit Committee is Dato' Mohamad Azmi Bin Ali, an Independent Director who is distinct from the Chairman of the Board. Having the positions of the Chairman of the Board and Chairman of the Audit Committee assumed by different Directors allows the Board to review the findings and recommendations of the Audit Committee in an impartial and unbiased manner. This also allows the Audit Committee Chairman to provide full commitment and devote sufficient time to matters under the purview of the Audit Committee.</p> <p>The duties and responsibilities of the Chairman of the Audit Committee are outlined in the Terms of Reference, which is made available on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.com</a>.</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 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>	:	<p>The Company has codified a policy stipulation that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. This policy stipulation is outlined in the Company's Policy on External Auditor as well as in the Terms of Reference for the Audit Committee.</p> <p>It is also worth noting that Inari has not appointed any former key audit partner or former employee of the external audit firm to the Board or to the Audit Committee to date.</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 9.3

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 Audit Committee has put in place a Policy on External Auditor which covers policy and procedures to assess and determine the suitability, objectivity and independence of the external auditors.</p> <p>During the financial year under review, the Audit Committee has monitored and assessed the performance and independence of the external auditors, namely Grant Thornton Malaysia PLT, and has satisfied itself that the external auditors have been independent throughout the conduct of their audit engagement. The assessment of the quality of the services provided by the external auditors was conducted via questionnaires completed by the Audit Committee members and the Group CFO who works closely with the external auditors. The criteria covered by the assessment includes, amongst others, the adequacy of the audit scope, the ability of the audit firm to meet deadlines, timeliness in escalating significant audit issues to the Audit Committee as well as the efficient allocation of resources to significant audit risk areas.</p> <p>In line with the relevant professional standards, the Audit Committee has obtained written assurance from the external auditors that its personnel were and have been independent throughout the audit engagement.</p> <p>The Policy on External Auditor additionally provides guidelines on the provision of non-audit services by the external audit firm. In this respect, the Policy is aligned to the By-Laws (on Professional Ethics and Conduct) by the Malaysian Institute of Accountants.</p> <p>The Policy on External Auditor is made available on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.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

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>	:	<p>The Board has a long-standing practice of having the Audit Committee comprising exclusively of Independent Directors. The Audit Committee comprises exclusively of three (3) Independent Directors, namely Dato' Mohamad Azmi Bin Ali (Chairman of the Audit Committee), Datuk Phang Ah Tong and Datuk Mohamed Arsad Bin Sehan.</p> <p>The Board acknowledges that independence is the cornerstone of a well-functioning Audit Committee and has thus endeavoured to ensure Inari attains the higher-order practice of having a fully independent Audit Committee. The Board expects members of the Audit Committee to exercise continued professional vigilance, intellectual honesty and moral courage in fulfilling their duties.</p>

## 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>The Audit Committee comprises three (3) members, namely Dato' Mohamad Azmi Bin Ali (Chairman of the Audit Committee), Datuk Phang Ah Tong (Independent Director) and Datuk Mohamed Arsad Bin Sehan (Independent Director). The composition of the Audit Committee complies with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements.</p> <p>The members of the Audit Committee possess a mix of skills, knowledge and experience to enable them to discharge their duties and responsibilities in accordance with the Terms of Reference.</p> <p>Dato' Mohamad Azmi Bin Ali holds a Bachelor of Accounting Degree from University Kebangsaan Malaysia, memberships in both the Certified Practising Accountant (Australia) and the Malaysian Institute of Accountants ("MIA"). In addition to his qualifications, Dato' Mohamad Azmi Bin Ali serves as an Audit Committee Member at Malaysia Productivity Corporation and Technology Depository Agency Berhad (a MOF Company). This extensive experience not only provides him with a deep understanding of financial matters but also exposes him to diverse industries, enhancing his overall perspective. Given his qualifications and professional experience, Dato' Mohamad Azmi Bin Ali is well-prepared to fulfil the duties and responsibilities of the Chairman of Audit Committee and meets the requirements of Paragraph 15.09(1)(c) of the Main Market Listing Requirements. Having Dato' Mohamad Azmi Bin Ali who is an Independent Director also allows the Company to comply with Paragraph 15.10 of Listing Requirements which calls for the Audit Committee Chairman to be an independent director.</p> <p>Whilst the other 2 members, Datuk Mohamed Arsad Bin</p>

	<p>Sehan has had a long career of about 30 years in banking industry and Datuk Phang has a distinguished career in the civil service. Both possess extensive corporate experience and are equipped with the required business knowledge to be able to provide appropriate advice to the Management relating to the financial reporting and risk management of the Group.</p> <p>During the financial year, the Audit Committee members attended various professional development programme to keep themselves abreast of relevant developments in financial reporting and risk management. In addition, the members were also briefed by the external auditors and Group CFO on key changes in accounting standards, practices and rules at the Audit Committee meetings held during the financial year.</p> <p>The collective skills, academic background and professional experience of the members of the Audit Committee allow the said Committee to have the requisite level of financial literacy to perform the duties expected of an effective and high-performing Audit Committee.</p> <p>During the year, the Board had, via the Nomination Committee, reviewed the terms of office and performance of Audit Committee, each of its member and the discharge of their duties based on its terms of reference. The Nomination Committee and Board are generally satisfied that the Audit Committee and its members have carried out their duties effectively in accordance with its terms of reference.</p> <p>A summary of the work of Audit Committee carried out in FY2023 is set out in the Audit Committee Report in the Annual Report 2023.</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 10.1

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

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board assumes overall responsibilities in ensuring there is an adequate and effective risk management and internal control framework in place to support Management in safeguarding shareholders' investments as well as the Group's assets. Towards this end, the Board has instituted an Enterprise Risk Management ("ERM") framework which supports the timely identification, reporting and management of principal risks facing the Group as well as the implementation, tracking and review of the effectiveness of mitigation strategies and actions.</p> <p>The Audit Committee, as the Board's delegate, is responsible for providing oversight on the Group's risk management and internal control framework and for reporting to the Board in a timely manner on the key risks faced by the Group, changes to the risk profile as well as action plans to manage the risks. Key Management personnel and Heads of Departments are delegated with the responsibility of managing risks within the pre-determined parameters.</p> <p>In addition, the Board is supported by the SRMC in overseeing the sustainability matters of the Group, identifying principal risks and business sustainability strategies alongside the Senior Management, and ensuring their adherence to appropriate risk mitigation and sustainability efforts within the Group. The SRMC is assisted by the Group CEO and Group CFO, to provide the overall direction, lead strategic decision making and review sustainability implementation and performance and risk management in an integrated manner.</p> <p>During FY2023, the internal audit function reviewed the updates on ERM framework, assessed the adequacy and operating effectiveness of internal controls deployed by Management for the Group's key processes, including climate change reporting.</p> <p>Detailed disclosure on the Group's risk management and internal control framework is narrated in the Statement on Risk Management and Internal Control contained within the Annual 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 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 Board acknowledges its overall responsibility in maintaining a sound system of risk management and internal control and has in place an ERM Framework which serves as a methodical approach for the timely identification, reporting and management of principal risks as well as in ensuring the implementation, tracking and review of the effectiveness of mitigation actions for the risks identified. The adequacy and effectiveness of the Group's risk management and internal control framework and governance process are reviewed and monitored by the Audit Committee and SRMC with the assistance of the SIWG and internal auditors.</p> <p>The SIWG, which comprises senior management team and representatives from various departments, has been tasked with overseeing the establishment and implementation of the Group's anti-corruption and bribery control measures across the Group, and reporting their effectiveness to Group CEO and Group CFO. Various enhancements have been made to the Board Charter, Anti-Corruption and Bribery Policy, Whistleblowing Policy and Procedures, Code of Business Conduct and Ethics, and Terms of Reference of the respective Board Committees and internal control system and procedures across the Group to signify the Company's commitment against all forms of corruption and bribery.</p> <p>The ERM framework is designed to manage rather than eliminate risks and to provide reasonable but not absolute assurance against any material misstatement or loss. During the financial year, there were no material weaknesses or deficiencies in the system of risk management and internal control which resulted in any material losses to the Group.</p> <p>The Board has provided detailed disclosure on the features of the Group's risk management and internal control framework together with an assessment of its adequacy and effectiveness in the Statement on Risk Management and Internal Control contained within the Annual Report. The Statement amongst others articulates the varying responsibilities for risk</p>

	management across the different levels of employees, information pertaining to the internal audit function and a summary of the key business risks facing the Group together with the mitigating strategies employed by the Group.	
<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>	:	<p>The Board has since 2018 established SRMC. At present, the Committee comprises three (3) members, namely Datuk Phang Ah Tong (Independent Chairman of the SRMC), Dato' Sri Chee Hong Leong, JP (Independent Director) and Dato' Dr Tan Seng Chuan (Executive Vice Chairman of the Board).</p> <p>The Committee is entrusted with the responsibility of overseeing risk management and sustainability matters of the Group.</p> <p>The Terms of Reference of SRMC is periodically reviewed by the Board and is made available on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.com</a>.</p>

## 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>The Group has outsourced its internal audit function to a professional firm, namely Crowe Governance Sdn Bhd (“Crowe Governance”). As the “eyes and ears” of the Audit Committee, the internal auditors have a direct reporting line to the Committee and have direct access to the Board via the Chairman of the Audit Committee.</p> <p>The Audit Committee is delegated with the responsibility of overseeing the internal audit function, ensuring it remains effective and independent. In fulfilling this duty, the Audit Committee reviews and subsequently approves the Annual Internal Audit Plan and ensures the internal audit function is accorded with appropriate standing and authority to enable it to discharge its duties accordingly. The Audit Committee approves the fee for the internal auditors and in doing so, ensures that the internal auditors have adequate resources to perform their duties with objectivity and without undue influence from any third parties.</p> <p>The Audit Committee holds regular in-camera meetings with the internal auditors to discuss significant internal audit matters and to provide an avenue for the internal auditors to surface any pertinent issues or concerns that they have gathered.</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

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 Group has outsourced its internal audit function to a professional firm, Crowe Governance.</p> <p>The internal audit engagement by Crowe Governance is led by an Executive Director, namely Amos Law. He is a Certified Internal Auditor (“CIA”), an IIA Accredited Internal Quality Assessor/Validator, a Chartered Member of the Malaysian Institute of Internal Auditors (“CMIIA”) and a holder of the Certification in Risk Management Assurance (“CRMA”). He has accumulated 26 years of extensive experience in internal audit, risk management and corporate governance advisory services. He provides overall direction for the internal audit engagement and is responsible for all stages of the internal audit work. He also maintains contact with the Management to ensure open communication is practiced and all internal audit works are carried out effectively and in a timely manner.</p> <p>All the personnel deployed by Crowe Governance do not have any family relationship or conflicts of interest with Inari that could impair their objectivity and independence during the course of their work.</p> <p>In fulfilling their duty, the internal audit team adopts a risk-based approach and adheres to a methodology that is closely aligned to the International Professional Practices Framework (“IPPF”) of The Institute of Internal Auditors.</p> <p>Disclosure on the internal audit function pursuant to Practice 11.2 of MCCG, is contained in the Statement on Risk Management and Internal Control within the Company’s Annual Report. A summary of the activities and work of the Audit Committee in relation to the internal audit function is also provided in the Audit Committee Report within the Company’s Annual 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

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 recognises that effective, transparent and continuous communication with the stakeholders of the Group is essential in managing stakeholder expectations and delivering long-term value-creation for the stakeholders.</p> <p>In fostering a closer association with the stakeholders of the Group, the Company's website (<a href="http://www.inari-amertron.com">www.inari-amertron.com</a>) is updated with the latest developments pertaining to the Group, including performance, business strategies and objectives, investor relation activities, corporate governance policies and procedures and any press releases made by the Group. The website additionally houses the Company's annual and quarterly reports, sustainability statement, corporate governance report and circulars to shareholders.</p> <p>The Company's website also provides the email contact of the Investor Relation <a href="mailto:i-enquiry@inari-amertron.com.my">i-enquiry@inari-amertron.com.my</a> allowing dialogue and queries from shareholders, stakeholders, investors and the general public.</p> <p>In addition, the Group periodically organises investor relation activities such as conferences and briefing sessions targeted at market analysts and fund managers to allow for constructive and informative communication with shareholders and potential investors.</p> <p>Detailed information regarding stakeholder engagement methods can be found in the Sustainability Statement, which is available in the Annual Report.</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 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>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: <p>The current Annual Report of Inari provides stakeholders with a fairly granular view of the Company's financial and non-financial information that would allow them to make informed decisions. The Annual Report contains components such as Management Discussion and Analysis, Corporate Governance Overview Statement, Sustainability Statement and Statement on Risk Management and Internal Control that form an integral part of the non-financial information.</p> <p>Whilst certain characteristics of integrated reporting is in the current Annual Report, it is on the whole, not an integrated report based on the parameters set out by the International Integrated Reporting Council's ("IIRC") Integrated Reporting Framework.</p> <p>Moving forward, the Board would like to allow an advocacy period for Management to gain a better appreciation and familiarity of the integrated reporting regime before it is adopted.</p> <p>The Annual Report draws linkages between the various components contained thus allowing connectivity of information between the financial and non-financial information.</p> <p>As with the preceding year, the Company has incorporated a Sustainability Statement in the Annual Report, in accordance with Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This gradually positions the Company towards the adoption of integrated reporting through the establishment of the necessary systems and controls as well as the presence of quality non-financial data to support the development of an integrated report.</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 Board will seek to undertake a readiness assessment to identify the structural changes that would be necessitated from the proposed transition to integrated reporting. As an incremental measure, the Company will seek to embed the process of integrated thinking into its activities to better streamline its connectivity of reporting from management, its business analysis and decision-making process. Management is in the midst of preparing to adopt integrated reporting.	
<b>Timeframe</b>	:	Within 2 years	

## 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>	:	<p>AGM serves as the principal avenue for shareholders to engage with the Board and Senior Management in a productive and constructive two-way dialogue. The Board welcomes constructive feedback and critical suggestions from shareholders and endeavors to incorporate shareholders' perspectives during boardroom discussions and decision-making process. It is therefore incumbent on the Board to provide shareholders with adequate time to consider the resolutions that will be discussed and voted upon during the AGM and thus, allowing shareholders to make informed decisions.</p> <p>The notice of AGM is provided to shareholders more than 28 days prior to the date of the AGM to give shareholders adequate time to prepare and make the necessary arrangements to attend the AGM. The notice for the 12<sup>th</sup> AGM was circulated more than 28 days prior to the date of the meeting which was held on 23 November 2022. This goes above and beyond the minimum stipulated notice period of 21 days mandated by Section 316(2) of the Companies Act 2016 and Paragraph 7.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The notice of AGM outlines the resolutions to be tabled during the meeting and is accompanied by explanatory notes and background information where applicable to shed clarity on the matters that will be voted upon during the AGM.</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

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>As stewards of the Company, the Board recognises its accountability to shareholders and its obligation to engage shareholders and provide meaningful responses to their inquiries. In demonstration of this commitment, all Directors, including the Chairmen of the respective Board Committees, attended the 12<sup>th</sup> AGM held on 23 November 2022.</p> <p>The Chairmen of the respective Board Committees availed themselves to facilitate discussions and responded to queries posed by shareholders and the Minority Shareholders' Watch Group on operational, financial and governance matters. A summary of key matters discussed during the AGM has been made available on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.com</a> in accordance with Paragraph 9.21(2)(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The Group CEO, Group CFO and the external auditors were also present at the AGM to supplement discussions and provide greater clarity and context where necessary. In addition, the Group CEO also presented an overview of the Group's performance, major development and business outlook for the ensuing year at the AGM.</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 has leveraged on technology by conducting its AGM since 2020 on a fully virtual basis through live streaming and online remote voting using RPV provided by a service provider. The use of RPV enables shareholders to fully participate in the proceedings and exercise their voting rights, either in person or by appointing proxy, without the need to be physically present at the meeting venue. The Company will continue to conduct the 13<sup>th</sup> AGM via the use of RPV to encourage greater shareholder participation and voting in absentia. Shareholders and proxies are also accorded the means to submit their questions before and during the meeting electronically via the meeting platform. Voting is conducted by poll electronically and verified by an independent scrutineer in accordance with the Main Market Listing Requirements.</p> <p>The Company has engaged Tricor Investor &amp; Issuing House Services Sdn Bhd (“Tricor Malaysia”) to provide the RPV for fully virtual AGM via its online meeting platform at <a href="https://tiih.online">https://tiih.online</a>. Tricor has implemented an IT policy and Information Security policy, endpoint controls, data classification for cyber hygiene practices of the staff. Stress test and penetration testing have been performed on TIIH Online to test its resiliency. To provide further assurance to the public, Tricor Malaysia is ISO27001 certified. TIIH Online is hosted in a secure cloud platform and the data centre is ISO27001 certified.</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

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.

*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.*

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that effective, transparent and continuous communication with the stakeholders of the Group is essential in managing stakeholder expectations and delivering long-term value-creation for the stakeholders. As such, the Group prioritises meaningful engagement with its shareholders, especially during AGMs and will ensure that all shareholders have the sufficient opportunity to pose questions and to receive a meaningful response.</p> <p>In view of the continuous Covid-19 health concerns, the Company had leveraged on technology by conducting the 12<sup>th</sup> AGM on a fully virtual basis through live streaming and online remote voting using the RPV provided by Tricor Investor &amp; Issuing House Services Sdn Bhd via its TIIH Online website. The use of RPV enables shareholders to fully participate in the proceedings and exercise their voting rights, either in person or by appointing proxy, without the need to be physically present at the meeting venue, thereby ensuring the health and wellbeing of all meeting participants. The RPV also provided shareholders sufficient time to pose questions as these questions can be submitted through TIIH Online website days ahead of the AGM. Alternatively, shareholders submitted their questions during the meeting by way of real time submission of typed text via the meeting platform. Sufficient time was allocated for the Board to address the questions and suggestions posed by the shareholders and proxies. As is customarily practised, all Directors, including the Chairmen of the respective Board Committees, were present during the AGM whereby they availed themselves to provide meaningful responses, clarity and context to shareholders' inquiries.</p> <p>The Company will continue to conduct the 13<sup>th</sup> AGM fully virtual via the use of RPV to encourage greater shareholder participation and voting in absentia, and to facilitate robust discussion on the Company's business strategies and direction.</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 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The 12<sup>th</sup> AGM held on 23 November 2022 was conducted on a fully virtual basis through live streaming and online remote voting using the RPV via TIH Online website. The use of RPV enabled shareholders to fully participate in the proceedings and exercise their voting rights, either in person or by appointing proxy, without the need to be physically present at the meeting venue. Shareholders were encouraged to submit their questions to the Board through TIH Online website prior to the AGM or alternatively by way of real time submission of typed text via the meeting platform.</p> <p>At the 12<sup>th</sup> AGM, there was active participation by the shareholders and all Directors together with senior management and external auditors were present, either at the broadcast venue or remotely, to engage with shareholders and proxies. Relevant questions received from the shareholders, including Minority Shareholders Watch Group together with the Company's responses to the questions were presented during the meeting for the benefit of the shareholders. In addition, the key matters discussed at the AGM are made available on the Company's website at <a href="http://www.inari-amertron.com">www.inari-amertron.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

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>	: The Company published the minutes of 12 <sup>th</sup> AGM held on 23 November 2022 and Key Matters Discussed on the Company's website no later than 30 business days after the conclusion of the AGM (i.e: 23 December 2022).
<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  
PERSUANT 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.*

Click or tap here to enter text.