

CORPORATE GOVERNANCE REPORT

STOCK CODE : ILB 5614
COMPANY NAME : ILB Group Berhad
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Currently, the Company has an experienced Board comprising one (1) Executive Chairman, one (1) Chief Executive Officer & Executive Director ("CEO"), one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors.</p> <p>The Board of Directors is primarily responsible for charting and reviewing the strategic direction of the Group and delegates the implementation of these directions to the management. The independent non-executive directors are considered independent of any business or other relationship or circumstances that could interfere with the execution of their independent judgement and decision making in the best interests of the Company.</p> <p>The responsibilities of the Board are inclusive of but not limited to:</p> <ol style="list-style-type: none">i. Charting the strategic direction, and setting out short term and long term plans for the Group.ii. Promoting ethical and best corporate governance culture in the Group.iii. Monitoring and reviewing compliance with internal control policies and risk management systems.iv. Monitoring compliance with relevant laws & regulations and accounting standards within the corporate and business environment.v. Overseeing and reviewing business operations within a systematic and controlled environment.vi. Monitoring the financial performance of the Group.vii. Appointing and determining the remuneration, duration and relevant appointment terms of the Executive Directors.viii. Assessing the performance of and developing the succession plan for the Executive Directors.

	<p>The Board composition represents a mix of knowledge, skills, and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The profiles of the members of the Board are set out in the Annual Report.</p> <p>The Board had delegated to the CEO and his management team the day to day management of the Group.</p> <p>The responsibilities of the Management of the Group are inclusive of but not limited to:</p> <ul style="list-style-type: none"> i. Chart the strategic direction. ii. Develop short term & long term plans. iii. Monitoring financial results, comparison with budget & analysis of variances. iv. Statutory compliance. v. Highlight to the Board key areas needing attention. vi. Manage Investor relations. vii. Engage adequate & suitable qualified personnel. viii. Uphold Corporate Governance; avoid conflicts of interest & unethical practices. <p>The CEO (appointed on 1 April 2024), Mr Tang Weihann, and his management team are responsible for implementing the plans chartered out and the day to day management of the Group, with clear authority delegated by the Board.</p>
<p>Explanation for departure :</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>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Company has a clear distinction and separation of roles between the Chairman and the CEO, with clear division of responsibilities. The Board of Directors is headed by Mr Tang Ming Yng, the Executive Chairman, who has broad exposure and extensive experience in the sales, marketing and corporate management. As Chairman, he plays a vital role in leading and guiding the Board, and also serves as the communication point between the Board and the CEO.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of Chairman and CEO are exercised by different individuals. A clear segregation of their responsibilities and powers is stated and defined in the Company's Board Charter. Besides ensuring an appropriate balance of power and authority, the segregation of roles facilitate an open exchange of views and opinions between the Board and the Management in their deliberation of the business, strategies and key operations of the Group.</p> <p>The Executive Chairman of the Company is Mr Tang Ming Yng (appointed on 5 February 2024) whereas the Chief Executive Officer of the Company is Mr Tang Weihann (appointed on 1 April 2024).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>	
Application :	Applied
Explanation on application of the practice :	The Executive Chairman, Mr Tang Ming Yng is not a member of the Audit and Risk Management Committee ("ARMC"), Nomination and Remuneration Committee ("NRC") and the will not be invited and participate in any or all of the Board Committees' meetings.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries are qualified Chartered Secretary and Fellow/Associate Member of the Malaysian Institute of Chartered Secretaries (MAICSA) who provide advice and regularly update the Board on good governance, board policies and procedures, administrative matters and corporate compliances. All Directors have unhindered access to the advice and services of the Company Secretaries, whose appointment and removal is a matter of the Board as a whole.</p> <p>The Company Secretaries also ensures that the Board is kept well informed on any regulatory requirements and update on the developments in the area of corporate governance that affect the duties and responsibilities of the Directors as well as the Company being a public listed company. In this respect, the Company Secretaries has attended training and seminars conducted by relevant regulatories to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the MMLR of Bursa Securities.</p> <p>The Company Secretaries also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, in accordance with Chapter 14 of the MMLR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minuted and documented by the Company Secretaries.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has timely access to relevant information pertaining to the Group. Prior to each Board meeting, the Agenda for the meeting together with comprehensive management reports & proposal papers are furnished to all Directors for their perusal 5 business days before the meeting. Directors can obtain further clarifications from the management and the Company Secretaries. Senior management and external advisors may be invited to attend Board Meetings to provide further details, clarifications and/or advise the Board as and when required on matters to be deliberated. Should any Director be unable to attend any Board meeting, he may give his opinion in advance, and such opinion will be considered in the decision making process at the Board meeting.</p> <p>All matters discussed and resolutions passed at each Board meeting are recorded in the minutes of the meeting. These minutes are circulated to all Directors for their confirmation and any Director can request for further clarification on the minutes prior to their confirmation.</p> <p>The members of the Board also evaluate business propositions and corporate proposals that require Board approval. The Board is regularly updated and advised on new regulatory requirements relating to the duties and responsibilities of Directors. Further advice can be obtained from the Company Secretaries or from external professionals where necessary.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter sets out the composition, roles and responsibilities and processes of the Board.</p> <p>The Board Charter, which serves as a strategic guidance and effective oversight of management, is also intended to provide a concise overview of:</p> <ol style="list-style-type: none">1. the roles and responsibilities of the Board, the Chairman, individual directors, the Chief Executive Officer and management.2. delegation of authority by the Board to various committees established in assisting the Board to execute its duties and responsibilities; and3. Board operating procedures and practices pertaining to meetings, training and development, code of conduct and declarations on conflicts of interest. <p>The Company's Board Charter is published on the Company's website at https://www.ilb.com.my/investor-relations/ir-corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>This Code of Ethics is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:</p> <ol style="list-style-type: none">1. To establish a standard of ethical behaviour for directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.2. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company. <p>The Company's Code of Conduct and Ethics is published on the Company's website at https://www.ilb.com.my/investor-relations/ir-corporate-governance/.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>1. Policy Statement</p> <ul style="list-style-type: none"> a. ILB Group Berhad ('ILB') is committed to achieving and maintaining high standards of behavior at work. b. All employees and stakeholders are encouraged to report in good faith genuine concerns about unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal. c. ILB views any harassments or retaliations in any form or manner against genuine whistle blowers seriously and will treat such action as gross misconduct, which may lead to dismissal. <p>2. Whistle Blowing</p> <ul style="list-style-type: none"> a. Whistle Blowing is a specific means by which a worker or stakeholder can report or disclose through established channels, concerns about unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements. b. Only genuine concerns should be reported under Whistle Blowing procedures. This report should be made in good faith with a reasonable belief that the information and any allegation in it are substantially true, and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and treated as a gross misconduct. <p>The Company's Whistle Blowing Policy is published on the Company's website at https://www.ilb.com.my/investor-relations/ir-corporate-governance/.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by the Management Committee ("MC"), comprising Executive Directors and the management team. MC manages the sustainability policy, initiatives, targets as well as monitoring the effectiveness and performance of related initiatives.</p> <p>To further strengthen the sustainability initiatives, MC communicates the Group's sustainability direction to Environmental, Social and Governance Working Group ("ESG Working Group"). ESG Working Group comprises of appointed representatives of various divisions, who are responsible to identify, manage, and analyse sustainability categories, as well as ESG risks, and organise, implement and monitor sustainability efforts. The ESG Working Group executes and implements the initiatives and report their operational activities in a variety of ways, including monthly reports, project progress reports, safety and health reports, etc.</p> <p>While we anticipate that our key stakeholders are increasingly interested to evaluate how we have managed and embraced ESG agendas, our Board delegated the ESG Working Group to elevate ILB Group's sustainability efforts in line with the latest Code of Corporate Governance updated in year 2022. The ESG Working Group is expected to take on the challenging role and be the subject matter expert on ESG sustainability matters, climate risks and ILB's business sustainability issues.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		







Measure	:		
Timeframe	:		





Intended Outcome

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

Practice 4.2

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

Application :	Applied														
Explanation on application of the practice :	<p>We recognise the value of interacting with our stakeholders since their feedbacks are critical in keeping our sustainability activities on track with our goal to achieving stakeholders' expectations while reinforcing our relationships with them.</p> <p>At ILB, we communicate with our stakeholders through a variety of channels to identify and prioritise concerns. The table below contains a list of stakeholders, areas of interest, engagement methodologies and frequency of engagement.</p> <table border="1" data-bbox="453 936 1473 1841"> <thead> <tr> <th data-bbox="453 936 676 1014">Stakeholders</th> <th data-bbox="676 936 959 1014">Areas of Interest</th> <th data-bbox="959 936 1246 1014">Method of Engagement</th> <th data-bbox="1246 936 1473 1014">Engagement Frequency</th> </tr> </thead> <tbody> <tr> <td data-bbox="453 1014 676 1429">  Customers </td> <td data-bbox="676 1014 959 1429"> <ul style="list-style-type: none"> Product quality and pricing Market demand Product development and innovation </td> <td data-bbox="959 1014 1246 1429"> <ul style="list-style-type: none"> Quality assessment Performance assessment Progress meetings and updates Customer relationship management </td> <td data-bbox="1246 1014 1473 1429"> <ul style="list-style-type: none"> On-going Ad-hoc Periodically Quarterly </td> </tr> <tr> <td data-bbox="453 1429 676 1841">  Employees </td> <td data-bbox="676 1429 959 1841"> <ul style="list-style-type: none"> Employee health and safety Career development and advancement Communication and engagement </td> <td data-bbox="959 1429 1246 1841"> <ul style="list-style-type: none"> Performance appraisals Operational meetings and discussions Safety at work meetings Trainings </td> <td data-bbox="1246 1429 1473 1841"> <ul style="list-style-type: none"> Annually On-going Ad-hoc Periodically Quarterly </td> </tr> </tbody> </table>			Stakeholders	Areas of Interest	Method of Engagement	Engagement Frequency	 Customers	<ul style="list-style-type: none"> Product quality and pricing Market demand Product development and innovation 	<ul style="list-style-type: none"> Quality assessment Performance assessment Progress meetings and updates Customer relationship management 	<ul style="list-style-type: none"> On-going Ad-hoc Periodically Quarterly 	 Employees	<ul style="list-style-type: none"> Employee health and safety Career development and advancement Communication and engagement 	<ul style="list-style-type: none"> Performance appraisals Operational meetings and discussions Safety at work meetings Trainings 	<ul style="list-style-type: none"> Annually On-going Ad-hoc Periodically Quarterly
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	 <p>Vendors & Suppliers (Including Contractors)</p>	<ul style="list-style-type: none"> • Product quality • Customer service and complaints resolution 	<ul style="list-style-type: none"> • Supplier performance evaluations • Meetings and discussions 	<ul style="list-style-type: none"> • Annually • On-going • Ad-hoc • Periodically • Quarterly
	 <p>Shareholders & Investors</p>	<ul style="list-style-type: none"> • Financial performance • Regulatory compliance • Corporate governance • Ethical business conduct • Internal control and risk management 	<ul style="list-style-type: none"> • Financial announcement and reporting • Meetings and briefings • Corporate website 	<ul style="list-style-type: none"> • Annually • On-going • Ad-hoc • Periodically • Quarterly
	 <p>Government Regulators / Authorities, etc</p>	<ul style="list-style-type: none"> • Regulatory compliance • Approvals and permits • Standards and certifications 	<ul style="list-style-type: none"> • Meetings and consultations • Training programmes and dialogue • Audit and verification 	<ul style="list-style-type: none"> • Annually • On-going • Ad-hoc • Periodically • Quarterly
	 <p>Local Communities</p>	<ul style="list-style-type: none"> • Community wellbeing • Community investment 	<ul style="list-style-type: none"> • General meetings • Media announcements • Annual report • Company website 	<ul style="list-style-type: none"> • Annually • On-going • Ad-hoc • Periodically • Quarterly
Explanation for departure				
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>				

Measure :		
Timeframe :		

Intended Outcome

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

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>As a responsible organisation, we focus on sustainable expansion of our commercial activities. We have always prioritised environmental issues and complied with applicable laws and regulations in order to reduce negative environmental effect.</p> <p>The nature of ILB's subsidiary, which generates electricity as its main business function, encourages a beneficial environmental effect. This is because solar energy is turned from the sun into electrical energy, which is the cleanest and most abundant renewable energy source accessible. We formulate our strategy and align our policies to promote green technology as it is our Government of Malaysia's initiative for greener economy.</p> <p>At ILB, we recognise that climate change is the single biggest health threat facing humanity, and we are responding to the health harms caused by the unfolding crisis. Undeniably, it impacted our business in terms of both risks and opportunities and affected our operations, services, goals and business strategy. Recognising the importance, we are currently compiling more relevant data and information to address the climate change and undertake the risk as part of our risk assessment.</p> <p>We are committed to abide by all applicable environmental laws and regulations in relation to climate change, energy use and waste management as per stipulated in our Quality, Health, Safety and Environmental ("QHSE") Policy. Regular review on any risks and potential challenges is essential to ensure that ILB's business operations risks are being appropriately managed.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>The yearly Board of Directors’ Evaluations (“BOD Evaluations”) have been performed by the Directors are as follows:-</p> <ul style="list-style-type: none"> • Individual Directors’ Evaluation Form; • Independent Directors’ Self-Assessment Checklist; • Board Skills Matrix Form; • Board and Board Committee Evaluation Form; • Board ESG and Sustainability Evaluation; and • ARMC Members’ Evaluation. <p>Based on the summary of the abovementioned BOD Evaluations assessment, it was concluded that :-</p> <ol style="list-style-type: none"> a) The Board was well-balanced after taking into account the Board members’ wide experience and exposure in various fields, i.e. commercial, financial, technical, corporate and legal, their diversified skill and qualities. b) The Company had an effective Board and each of the Directors possessed their own qualities, skills, expertise and experience in discharging their functions effectively as expected from each of them. c) All the Independent Directors also provided confirmation, either verbally or written, in respect of their independence respectively.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC (“NRC”) does an annual review of the composition of the Board and makes recommendations to the Board accordingly, keeping in mind the need to meet current and future requirements of the Group.</p> <p>The NRC is satisfied with the current size of the Board and with the mix of qualifications, skills & experience of its Board members. Part of the evaluation criteria is the commitment displayed, the depth of contribution, ability to communicate and undertake assignments on behalf of the Board.</p> <p>The NRC is also open to referrals from external sources when Board vacancies arise.</p> <p>The policies and procedures for recruitment and appointment (including re-election/ reappointment) of Directors are set out in the Terms of Reference of the NRC</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>Currently, the Company has an experienced Board comprising one (1) Executive Chairman, one (1) CEO, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors.</p> <p>The Non-Executive Directors are not employees of the Company and do not participate in the day to day management of the Company. All three Independent Non-Executive Directors, are independent directors and are able to express their views without any constraint.</p> <p>This strengthens the Board which benefits from the independent views expressed before any decisions are taken. Should any director have an interest in any matter under deliberation, he is required to disclose his interest and abstain from participating in discussions on the matter.</p> <p>The NRC has reviewed the performance of the independent directors and is satisfied they have been able to discharge their responsibilities in an independent manner.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>As Encik Wan Azfar bin Dato' Wan Annuar would have served as Independent Non-Executive Director ("INED") for more than 9 years since his re-designation on 19 August 2015. Following the annual assessment, the Board intends to retain En Wan Azfar bin Dato' Wan Annuar as INED and will seek shareholders' approval at the forthcoming AGM.</p> <p>Key justifications to recommend Encik Wan Azfar bin Dato' Wan Annuar's continuance as INED are as follows:</p> <ul style="list-style-type: none">a) He has actively participated in Board deliberation, provide objectively in decision-making and possess sufficient self-esteem and confidence to stand up with an independent voice of the Board.b) He has exercised due care during his tenure and carried out his professional duties in the best interest of the Company and shareholders.c) He had not developed, established or maintained any significant relationship which could impair his independence as INED, with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out his duties as INED or member of the Board Committees.d) He has contributed sufficient time and efforts in attending meetings of the Board and Board Committees.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied	
Explanation on application of the practice	:	The Board acknowledges the importance of age, nationality, professional background & gender diversity and recognises the benefits that such diversity can bring. The NRC considers diversity generally when making appropriate appointments to the Board, taking into account relevant skills, ethnicity, age, experience and knowledge. Notwithstanding the challenges in achieving the appropriate level of diversity on the Board, the Company will work towards addressing this as and when vacancies arise and suitable candidates are identified. The Company's primary responsibility in new appointments to the Board and management must always be to select the best candidates available.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC does an annual review of the composition of the Board and makes recommendations to the Board accordingly, keeping in mind the need to meet current and future requirements of the Group.</p> <p>The Committee is satisfied with the current size of the Board and with the mix of qualifications, skills & experience of its Board members. Part of the evaluation criteria is the commitment displayed, the depth of contribution, ability to communicate and undertake assignments on behalf of the Board.</p> <p>The Committee is open to referrals from external sources when vacancy arises.</p> <p>The policies and procedures for recruitment and appointment (including re-election/ reappointment) of Directors are set out in the Terms of Reference of the NRC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of Board of Directors are presented under the 'Board of Directors' in the Annual Report FYE 2023 ("Annual Report 2023"). These includes their age, nationality, date of appointment, directorship in other companies, working experience, shareholding in ILB and conflict of interest, if any.</p> <p>Shareholders are kept informed of Board's decision in respect of appointment of directors via announcement to Bursa Securities which includes the background information, position and interest.</p> <p>For any re-election of Directors, the Board through the Nomination Committee has assessed the performance and contribution of each director. The Board is satisfied with the performance and recommends the directors to shareholders for approval.</p> <p>A Statement Accompanying Notice of Annual General Meeting ("AGM") is attached in the annual report to provide the relevant information to shareholders for their consideration and decisions to be made during AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The NRC comprises the following directors:-</p> <ul style="list-style-type: none"> i. Wan Azfar bin Dato' Wan Annuar (Chairman) ii. Dato' Wan Hashim bin Wan Jusoh iii. Soh Eng Hooi <p>The Chairman of the NRC is En Wan Azfar bin Dato Wan Annuar, an Independent Non-Executive Director. The Terms of Reference of the NRC is available on the Company's website at https://www.ilb.com.my/investor-relations/ir-corporate-governance/.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As at 31 December 2023, the Board has two (2) female Independent Non Executive Director, namely Ms Soh Eng Hooi and Puan Jamilah Kamal, which represent 28.6% of the Board.	
		<p>The Nomination and Remuneration Committee, in its selection for Board appointment, believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.</p> <p>The Board aims to achieve at least 30% women directors in the near future.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of age, nationality, professional background & gender diversity and recognises the benefits that such diversity can bring. The NRC considers diversity generally when making appropriate appointments to the Board, taking into account relevant skills, ethnicity, age, experience and knowledge. Notwithstanding the challenges in achieving the appropriate level of diversity on the Board, the Company will work towards addressing this as and when vacancies arise and suitable candidates are identified. The Company's primary responsibility in new appointments to the Board and management must always be to select the best candidates available.</p> <p>In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.</p> <p>The Board currently has two (2) female director. With the current composition, the Board is of the view that its members have the necessary knowledge, experience and competence to enable them to discharge their duties and responsibilities effectively.</p> <p>The recruitment or promotion to the Board or senior management role will be based on skills, competencies, knowledge, experience and contribution.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The NRC (“NRC”) annually performs an assessment of the effectiveness and performance of the Board, Board Committees and individual Directors, in order to verify that the Board is functioning appropriately as a whole. Each Director completed a detailed questionnaires in the Directors’ Performance Evaluation which covered matters relevant to the Board performance, amongst others, contribution to interaction, quality of input, understanding of role and personal developments.</p> <p>An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee’s performance against its Terms of Reference. The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, as part of the Company’s ongoing corporate governance practices.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company’s website.

Application	:	Applied
Explanation on application of the practice	:	<p>On a yearly basis, the NRC reviews and recommends to the Board the remuneration package of the Executive Directors and Non-Executive Directors. In making its recommendation, the NRC considers various factors including the Non-Executive Directors’ fiduciary duties, time commitments expected of them and the Group’s performance. The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors.</p> <p>The benefits payable to the said Directors shall from time to time be determined by an Ordinary Resolution of the Company in a general meeting in accordance with Section 230 of the Companies Act 2016.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC had undertaken the following responsibilities during the year under review:</p> <ul style="list-style-type: none">a) Facilitated annual assessment and performance of individual Directors, effectiveness of the Board as a whole and the Board Committees.b) Facilitated the annual review of the required skills, experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.c) Conducted assessment on Directors who are subject to re-appointment or re-election.d) Reviewed the Terms of Reference of the NRC.e) Conducted annual assessment on Independent Directors.f) Assisted the Board in assessing the training needs of the Directors during the year.g) Reviewed and deliberated on the quantum of Directors' fees.h) Reviewed annually the performance of the Chief Executive Officer & the Executive Directors and recommended to the Board their remuneration commensurate with their performance and contributions to the Group. <p>A copy of the NRC's Terms of Reference (TOR) is available on the Company's website at https://www.ilb.com.my/investor-relations/ir-corporate-governance/.</p>

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

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The detailed disclosure on named basis of individual directors and the remuneration breakdown of individual directors including fees, salary, bonus, benefits in-kind and other emoluments received from the Company and its subsidiaries are disclosed at the Annual Report of the Company.

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	Datuk Karunakaran @ Karunakaran Ramasamy (Resigned on 5 February 2024)	Non-Executive Non-Independent Director	108	0	0	0	1	3	112	108	0	0	0	1	3	112
2	Wan Azfar bin Dato' Wan Annuar	Independent Director	60	0	0	0	1	7	68	70	0	0	0	1	8	79
3	Dato' Wan Hashim bin Wan Jusoh	Independent Director	60	0	0	0	0	7	67	70	0	0	0	0	7	77
4	Soh Eng Hooi	Independent Director	90	0	0	0	4	6	100	90	0	0	0	4	6	100
5	Jamilah binti Kamal	Independent Director	60	0	0	0	4	3	67	70	0	0	0	4	4	78
6	Tee Tuan Sem	Executive Director	0	0	600	0	80	72	752	0	0	600	0	80	72	752
7	Makoto Takahashi (Retired on 5 February 2024)	Executive Director	0	0	480	0	70	1	551	0	0	480	0	70	1	551

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	For confidentiality and security reasons, the Board is of the view that it is not in the best interest of the Group to disclose details of the top five senior management's remuneration. The total remuneration paid to each senior management reflects the time and effort devoted to fulfil his or her responsibilities on the Company and linked to the Group's performance.	
		The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to senior management's remuneration are made on aggregate basis in the audited financial statement for the financial year under review.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The ARMC oversees the integrity of the financial statements, compliance with relevant accounting standards and the group's risk management and internal controls. The ARMC comprises the following Independent Non-Executive Directors:-</p> <ol style="list-style-type: none"> 1. Soh Eng Hooi (Chairperson) 2. Wan Azfar bin Dato' Wan Annuar 3. Dato' Wan Hashim bin Wan Jusoh <p>The Chairman of the Audit & Risk Management Committee, Ms Soh Eng Hooi, is not the Chairman of the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The ARMC's Terms of Reference to be revised to include a clause on a minimum coolingoff period of three (3) years before a former key audit partner can be appointed as a member of the ARMC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>Assessment of External Auditors</p> <p>The Board has a formal and transparent relationship with the external auditors. The ARMC recommends to the Board on the appointment of the external auditors which is subject to the approval of shareholders at the AGM whilst their remuneration is determined by the Board. The role of the ARMC is further set out in their Report. The Board has private sessions and dialogues through the ARMC with the external auditors, in the absence of the executive directors and the management. For the year under review, there was two dialogue session with the external auditors.</p> <p>It is the practice of the ARMC to conduct an annual assessment of the external auditor. Areas of assessment include among others, the external auditor’s objectivity and independence, size and competency of the audit team, audit strategy, audit reporting, partner involvement and audit fees. In support of the assessment on independence, the external auditors provide the ARMC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. Premised on the assessment result, the ARMC will make recommendations for re-appointment of external auditors accordingly.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC consist of solely Independent Non-Executive Directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application :	Applied		
Explanation : on application of the practice	Name of Directors	Date	Seminar / Training Course Title
	Soh Eng Hooi	26 January 2023	Warisan TC Holdings Berhad ("WTCH") / Tan Chong Motor Holdings Berhad ("TCMH"): New Employment Act (Amendment 2022)
		22 May 2023	How ESG and Climate Change Affect the Solar Power Generation Industry - ESG Associates Sdn Bhd
		27 June 2023	WTCH / TCMH: Code of Business Conduct & Ethics (CBCE) (Yearly Refresher Training)
		18 September 2023	TC iTech Sdn Bhd: Cybersecurity Awareness Training 2023 for Directors (Yearly Refresher Training)
		20 November 2023	MIA Blended Learning Series: Key MFRS Standards - Underlying principles and applications
		27 November 2023	Securities Commission Malaysia: Invitation to the SC's Audit Oversight Board Conversation with Audit Committees
		27 November 2023	WTCH Group Compliance Department: 2023 Anti-Bribery Anti-Corruption, Fraud Prevention and Special Complaint Online Training (Yearly Refresher Training)

		28 November 2023	Anti-Corruption Training for Directors - Amethyst Destiny Sdn Bhd
		4 December 2023	MIA Webinar Series: Audit Evidence and Sampling
		19 December 2023	MIA Webinar Series: The IFRS S1 and S2: Reporting, Management and Value Creation
	Dato' Wan Hashim bin Wan Jusoh	22 May 2023	Consultation Talk: How ESG and Climate Change affect the Solar Power Generation Industry for ILB Berhad by Steven Lee, ESG Associates Sdn Bhd
		28 November 2023	Anti-Corruption Training for Directors by Chong Ki Keong, Amethyst Destiny Sdn Bhd
	Wan Azfar bin Dato' Wan Annuar	22 May 2023	Consultation Talk: How ESG and Climate Change affect the Solar Power Generation Industry for ILB Berhad by Steven Lee, ESG Associates Sdn Bhd
		28 November 2023	Anti-Corruption Training for Directors by Chong Ki Keong, Amethyst Destiny Sdn Bhd
	Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure :			
Timeframe :			

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p><u>RECOGNISE AND MANAGE RISK</u></p> <p>ILB has in place its established Risk Management Policy, which reflects the framework for Enterprise-wide Risk Management and Internal Control System. Such framework states the Company’s tolerance level for risk, and process in place to identify, assess and monitor key business risks arising from the existing environment and foreseeable future event in achieving the company’s corporate objectives, safeguarding the company’s assets, as well as shareholders’ investments / interest.</p> <p>Through regular quarterly reporting on risk management and internal control, the ARMC reviews, deliberates and evaluates the effectiveness and efficiency of the risk management and internal control systems in the organization which are designed to manage and mitigate rather than eliminate risks.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied
Explanation on application of the practice	:	RISK MANAGEMENT FRAMEWORK The Group has in place processes for the identification, evaluation, reporting, treatment, monitoring and review of the major strategic, operational, financial and compliance risks within the Group, covering both wholly and partially owned subsidiaries (excluding associates and jointly controlled entities). For the period under review, the ARMC is assisted by the outsourced independent professional service provider - Tricor Axcelasia Sdn Bhd and maintained an independent reporting on risk management and internal controls. The framework is continually monitored to ensure it is responsive to the changes in the Group's Corporate Structure. The key features of the ILB's risk management and internal control framework, which cover their adequacy and effectiveness are disclosed under the Statement on Risk Management and Internal Control in the 2023 Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	<p>The role of the ARMC will also oversee company's risk management frameworks and policies.</p> <p>The objectives of the ARMC entailed in its Terms of Reference relating to risk management are as follows:-</p> <ol style="list-style-type: none">1. Ensure the Risk Management Structure is embedded in all operating companies of the Group and is responsive to changes in the business environment;2. Ensure the Risk Management Structure adopted is consistent throughout the Group and is within the parameters established by the Board and3. Ensure the Risk Management Structure adopted is in compliance with the requirements of Bursa Malaysia and the Securities Commission.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Group is outsourced to independent professional service provider, Tricor Axcelasia Sdn Bhd (“Tricor Axcelasia”). The internal audits conducted by Tricor Axcelasia is guided by a recognised framework - the International Professional Practices Framework (“IPPF”) issued by the Institute of Internal Auditors for internal auditing and reported the followings directly to ARMC:</p> <ul style="list-style-type: none"> a) Annual internal audit plan; and b) Adequacy and effectiveness of internal control system put in place by the Board of Directors and the management. <p>The ARMC has:</p> <ul style="list-style-type: none"> a) Evaluated the competency and resources of Tricor Axcelasia in carrying out the internal audit function; b) Adopted the annual internal audit plan c) Reviewed the internal audit reports to ascertain the adequacy and effectiveness of internal control system.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has outsourced its internal audit function to Tricor Axcelasia. The internal audit personnel assigned by Tricor are free from any relationships or conflicts of interest, which could impair their objectivity and independence pursuant to the written declaration made by them.</p> <p>Tricor Axcelasia's engagement director in charge of the Group's Internal audit is Mr Chang Ming Chew. Mr Chang is a Certified Internal Auditor and holds a Certification in Risk Management Assurance from the Institute of Internal Auditors Malaysia; a member of the Association of Chartered Certified Accountants (UK) and member with the Malaysian Institute of Accountants.</p> <p>During FY 2023, the Internal audit of the Group was carried out in accordance with a risk based audit plan (as guided by the International Standards for the Professional Practice of Internal Auditing) approved by ARMC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS The Annual General Meeting is the principal forum for dialogue and interaction with the shareholders. The Board is committed to provide shareholders with comprehensive and timely information about the Group's activities and performance to enable investors make informed decisions. Shareholders are encouraged to attend Annual General Meetings and use the opportunity to ask questions on resolutions being proposed and on the progress, performance and future prospects of the company. The Chairman and Board members, with the assistance of the external auditors, are responsible to respond and provide explanations on matters raised. Information on the Group's activities is provided in the Annual Report and Financial Statements which are despatched to shareholders. The Company also encourages shareholders and investors to access online the company's Annual report and up to date announcements, which are made available at the Bursa Malaysia website and the company's own website at www.ilb.com.my
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	ILB is not a Large Company as defined in the MCCG 2021.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board of Directors is aware and in full support of effective shareholders' participation at the AGM. The Notice of Annual General Meeting will be served 28 days prior to the date of the Annual General Meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	The whole Board of Directors attends the Annual General Meetings of the Company. The Chairmen of the ARMC and NRC provide meaningful responses to questions addressed.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has leverage on technology to facilitate meetings in remote locations including voting in absentia and shareholders’ participation at General Meeting remotely.</p> <p>The Thirty-First AGM was held virtually which allows remote shareholders’ participation.</p> <p>The service provider, Boardroom Share Registrar Sdn Bhd aws entrusted to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	Shareholders are encouraged to participate and vote remotely at the Company's AGM using the Virtual Meeting Facilities. Before the AGM, Shareholders are able to submit questions online through Virtue Meeting Facilities. During the AGM, live interactive question and answer session will be conducted and all questions relating to the agenda of AGM will be answered.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: ILB used the technology as provided by Boardroom (Lumi) for the virtual 31 st AGM, after taking into consideration the following: <ul style="list-style-type: none">i. Boardroom is one of the leading Corporate Secretarial/AGM service providers in Malaysia, Singapore, Hong Kong, Australia, and China.ii. Boardroom partners with Lumi, a third-party meeting platform provider, to deliver the technology components of a meeting. Lumi has a global presence and a good track record, and confirmed that it had not experienced any glitches with its system in the previous three years.iii. Provision by Boardroom of a dedicated Office Helpdesk to allow shareholders to make enquiries prior to the meeting or to seek technical assistance to participate at the 62nd AGM.iv. New technology enhancements to Boardroom/ Lumi's system and platform during the year. To enable the eligible shareholders to participate and vote remotely, shareholders were invited to register online with Boardroom Smart Investor Portal at website https://boardroomlimited.my . All registrations were verified and approved within one business day with email notifications sent to the shareholders. Shareholders were allowed to carry out the following via Boardroom's website: <ul style="list-style-type: none">i. Pose and submit questions before the meeting by selecting 'SUBMIT QUESTION'.ii. Request for a printed copy of the Annual Report by selecting 'INVESTOR SERVICES' and then 'REQUEST FOR ANNUAL REPORT'.

	<p>On the day of the meeting, shareholders were also provided with a messaging window facility via Virtual Meeting Portal to submit questions during the meeting.</p> <p>All responses to questions by the Board and senior management during the meeting were read out and made visible to the shareholders via live stream.</p> <p>The entire Q&A session (including questions not addressed during the meeting, with the responses) were posted on ILB's corporate website after the meeting.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of 31 st AGM held on 28 April 2023 was uploaded to ILB's website at https://www.ilb.com.my/investor-relations/ir-corporate-governance/ no later than 30 business days after the general meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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