

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 3336  
**COMPANY NAME** : IJM Corporation Berhad  
**FINANCIAL YEAR** : March 31, 2024

## 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 is responsible for the long-term success of the Group and the delivery of sustainable value to stakeholders. The Board assumes, <i>inter alia</i>, the following duties and responsibilities:-</p> <p>(a) <i>Together with Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour</i></p> <ul style="list-style-type: none"> <li>• the Board together with Senior Management are committed to ensuring that the highest standards of corporate governance are practised throughout the Group; and</li> <li>• the Board has in place policies and procedures to promote good corporate governance such as Board Diversity Policy, Corporate Disclosure Policy, Anti-Bribery and Corruption Policy, Code of Conduct and Ethics for Employees, Code of Business Conduct for Third Parties, Whistleblowing Policy and External Auditors Policy.</li> </ul> <p>(b) <i>Review and adopt the overall strategic plans and programmes for the Group; and ensure that the strategic plan supports long term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability</i></p> <ul style="list-style-type: none"> <li>• the Board approves the strategic plan and ensures that the necessary resources are in place for the Group to meet its objectives and review Management's performance;</li> <li>• the Board reviews the capital budgets;</li> <li>• the Board reviews, challenges and approves the Management's proposed strategic plan for the Group; and</li> <li>• the Board reviews the strategies on promoting sustainability initiatives and focuses on economic, environmental and social aspects.</li> </ul>

At the offsite Board Mid-Year Strategy Review Session held in November 2023, the Board had received and/or actively participated in the deliberation on the updates of the key strategic focus and action plan of the Group, which included the following:-

- updates on aspirations and business strategies of the Group, that included growing existing businesses, developing adjacent businesses, expanding geographical footprint and exploring potential game changers;
- strategic focus of all business divisions of the Group that encompassed transformation, incubation, performance and productivity aspects;
- updates on the sustainability data digitalisation and sustainability initiatives; and
- updates on human resource key focus areas that included leadership, learning agility, talent acquisition and retention, and governance.

*(c) Oversee and evaluate the conduct of business of the Group which includes supervision and assessment of Management's performance to determine whether the business is being properly managed*

- the Board devotes sufficient time to learn about the Group's businesses and understands them well enough to provide critical stewardship, and guidance on their performance not just year-to-year but for the long term. Where possible and when the opportunity arises, Board meetings will be held at locations within the Group's operating businesses to enable the Directors to obtain a better perspective of the various businesses and enhance their understanding of the Group's operations; and
- the Board reviews the performance of the Group annually which is measured against the KPIs in four (4) areas of consideration, namely Commercial, Stakeholders, People and Organisational Excellence under the Balanced Scorecard of the Group. The KPIs comprise quantitative and qualitative targets. The weightage of the areas of consideration may be adjusted to accommodate the aspirations of the Group.

The Board reviewed the annual Budget of the Group, and considered the new budget as well as the capital expenditure requirements at the Board meeting held in February 2024. The Board and Management deliberated on the proposed divisional budgets and the rationale and assumptions used for the Budget.

During the first quarter of financial year ("FY") 2024, the Board had reviewed the Balanced Scorecards of the Group for the FY2023 which comprised the results of KPIs for the Group and the business divisions, namely Construction, Property, Industry and Infrastructure. The Board had also reviewed and endorsed the financial targets and the strategic focussed Balanced Scorecards for FY2024.

*(d) Ensure there is a sound framework for internal controls and risk management*

- the Board is responsible for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets, as well as to discharge its stewardship responsibility in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risks; and
- the Board continuously reviews the adequacy and effectiveness of the Group's risk management and internal control system which is embedded in all aspects of the Group's activities.

*(e) Understand the principal risks of the Group, set the risk appetite within which Management is expected to operate and ensure there is an appropriate risk management framework to identify, analyse, manage and monitor significant financial and non-financial risks*

- the Board ensures that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- the Board sets and reviews the risk appetite within which the Board expects Management to operate; reviews the processes as well as responsibilities and assesses for reasonable assurance that risks have been managed within the Group's risk appetite and tolerable ranges; and
- the Board through the Audit Committee and Risk Management & Sustainability Committee develops, executes and maintains the risk management system to ensure that the Group's corporate objectives and strategies are achieved within the acceptable risk appetite of the Group. The details of the Risk Management system are set out in the Statement on Risk Management and Internal Control.

*(f) Oversee and evaluate the implementation and effectiveness of the anti-bribery and corruption system of internal control to ensure that bribery and corruption risk is properly managed*

- the Board ensures the Company implements an Anti-Bribery and Corruption System ("ABCS") which seeks to uphold and promote integrity, honesty and compliance in the Group's business practices; and
- the Board has established the ABCS and adopted the Anti-Bribery and Corruption Policy which aims to set out the parameters, including the main principles, policies and guidelines in relation to anti-bribery and corruption.

*(g) Ensure the senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and senior management*

- the Board focuses on management succession in alignment with the Group’s strategic challenges and through the Nomination & Remuneration Committee (“NRC”) assesses the calibre of key senior management of the Group and reviews the changes including appointing, training, fixing the remuneration and replacing key senior management; and
- the NRC is responsible for making recommendations for the appointment of Directors to the Board and major subsidiaries. In making these recommendations, the NRC considers the criteria such as the required mix of skills, experience and knowledge, which the Directors bring to the Board.

*(h) Ensure the Company has in place procedures to enable effective communication with stakeholders*

- the Board ensures highest standards of transparency and accountability in the disclosure of pertinent information to its shareholders as well as to potential investors, analysts and the public;
- the Group uses various channels for effective communication with the stakeholders including releasing timely announcements and disclosures to Bursa Malaysia Securities Berhad, conducting regular dialogues with financial analysts, participating in institutional investor forums and using the corporate website at [www.ijm.com](http://www.ijm.com); and
- the Board, Management and employees of the Group comply with the Corporate Disclosure Policy of the Group which has set out the guidance and procedures for disclosure and dissemination of information of the Group.

*(i) Review the adequacy and integrity of the financial and non-financial reporting of the Group*

- the Board through the Audit Committee (“AC”) reviews the adequacy and integrity of the Group’s financial and non-financial reporting including reviews of the appropriateness of accounting policies, internal controls and key risks of the Group; and
- the AC presents its report to the Board on the outcome of its review and discusses with the Board on the areas of concern, if any.

The Board is always guided by the Board Charter, which outlines the duties and responsibilities and matters reserved for the Board in discharging its fiduciary duties. Some of the matters reserved for the Board include new ventures, acquisitions and disposals of undertakings and properties of a substantial value, and changes to the management and control structure within the Group. The Board Charter is reviewed and updated by the Board from time to time to ensure that it continues to remain relevant and appropriate. The details of the Board Charter are available for reference at [www.ijm.com](http://www.ijm.com).

	<p>In order to assist in the execution of the Board’s responsibilities for the Group, certain functions have been delegated by the Board to the following Board Committees:-</p> <p>(a) AC;  (b) NRC;  (c) Risk Management &amp; Sustainability Committee;  (d) Securities &amp; Options Committee; and  (e) Operating Committee.</p> <p>The Board Committees operate under clearly defined Terms of Reference, which are available for reference at <a href="http://www.ijm.com">www.ijm.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 1.2

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 Chairman is a non-executive member of the Board. His responsibilities are provided in Clause 3.4 of the Board Charter, which is available on the Company's website at <a href="http://www.ijm.com">www.ijm.com</a>.</p> <p>The responsibilities of the Chairman are elaborated as follows:-</p> <ul style="list-style-type: none"><li>(a) the Chairman advocates openness and provides leadership for the Board to perform its responsibilities effectively;</li><li>(b) the Chairman leads the Board in the adoption and implementation of good corporate governance practices in the Company;</li><li>(c) the Chairman ensures the Company Secretary sets the Board agenda and provides all Directors the Board papers on a timely basis prior to the scheduled Board meetings. Board papers are distributed electronically and generally five (5) business days in advance to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary/Management, should such a need arise;</li><li>(d) the Chairman leads the Board meetings effectively, and encourages active participation including allowing dissenting views to be freely expressed;</li><li>(e) the Chairman promotes constructive and respectful relations between Directors, and between the Board and Management; and</li><li>(f) the Chairman together with the Board members ensures effective communication with shareholders and relevant stakeholders, which includes establishing an investor relations function and conducting engagement sessions with various stakeholders.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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 positions of the Chairman and the Chief Executive Officer &amp; Managing Director (“CEO&amp;MD”) are held by two (2) different individuals. During FY2024, the Chairman is Tan Sri Dato’ Tan Boon Seng @ Krishnan and the CEO&amp;MD is Mr Lee Chun Fai.</p> <p>The roles of the Non-Executive Chairman and the CEO&amp;MD are distinct and separate to ensure that there is a balance of power and authority. The responsibilities of the Non-Executive Chairman include but are not limited to, leading the Board and ensuring its effectiveness, ensuring an efficient organisation and conduct of the Board’s function and meetings, promoting constructive and respectful relations between the Board and Management, and ensuring effective communication with shareholders and other relevant stakeholders.</p> <p>The CEO&amp;MD focuses on the day-to-day management and the business affairs of the Group, and is responsible for the implementation of the Board’s policies and decisions. The responsibilities of the CEO&amp;MD, amongst others, are to develop and implement corporate strategies for the Group, to supervise the management team responsible for the various functions contributing to the overall success of the Group, to ensure the efficiency and effectiveness of the operations of the Group, to assess business opportunities, and to present material information and other relevant matters for the attention of the Board in an accurate and timely manner.</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>	: The Non-Executive Chairman is not a member of any Board Committee so that the objectivity of the Chairman and the Board is maintained when deliberating on the observations and recommendations put forth by the Board Committees.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

## Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is supported by a qualified and competent Company Secretary to provide sound governance advice, ensure adherence to Board policies, rules and procedures, and advocate adoption of corporate governance best practices. The Directors have access to the advice and services of the Company Secretary especially relating to procedural and regulatory requirements such as company and securities laws and regulations, governance matters and Main Market Listing Requirements ("LR"). The Company Secretary undertakes continuous professional development and her details of attendance at training and seminars are available for reference at <a href="http://www.ijm.com">www.ijm.com</a>.</p> <p>The roles and responsibilities of the Company Secretary include advising the Board on its roles and responsibilities, assisting in the induction of new directors, advising the Board and Management on governance matters, LR and related statutory obligations, monitoring corporate governance developments and assisting the Board in applying governance practices, managing, attending and recording minutes of all Board meetings, Board Committee meetings and shareholders' meetings, ensuring proper upkeep of the statutory registers and records and serving as a focal point for stakeholders communication and engagement on corporate governance issues. The roles and responsibilities of the Company Secretary are stipulated in Clause 4 of the Board Charter, which is available on the Company's website at <a href="http://www.ijm.com">www.ijm.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>	:	All Directors are provided with performance and progress reports on a timely basis prior to scheduled Board meetings. Board papers are distributed electronically and generally five (5) business days in advance to ensure Directors are well informed and have the opportunity to seek additional information, and are able to obtain further clarification from the Company Secretary/Management, should such a need arise. The Directors may also seek independent advice at the expense of the Company, so as to ensure that they are able to make independent and informed decisions. The Company Secretary always ensures the recording of proper minutes of all deliberations and decisions of the Board and Board Committees, including any dissenting views and abstentions by any director from voting or deliberating on a particular matter. For cybersecurity purposes, all meeting materials are kept in a secure and collaborative board portal and the Directors are granted access to meeting materials via respective user identities and passwords.	
<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 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>All Board members are expected to show good stewardship and act in a professional manner, as well as uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. The Board Charter sets out the governance structure, roles, responsibilities, matters reserved for the Board, composition, operation and processes of the Board to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board Charter also acts as a source of reference and primary induction literature in providing insights to Board members and senior management.</p> <p>The Board Charter is reviewed by the Board from time to time to ensure that it continues to remain relevant and appropriate.</p> <p>At the Board meeting held in May 2024, the Board reviewed the Board Charter following the establishment of the Board Risk Management &amp; Sustainability Committee (“RMSC”) and the shift in oversight responsibility on risk management and anti-bribery and corruption system from the Audit Committee to the RMSC.</p> <p>The details of the Board Charter are available for reference at <a href="http://www.ijm.com">www.ijm.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

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

### Practice 3.1

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 is committed to conducting its business in a legal and professional manner, with the highest standard of integrity and ethical values, and has adopted the Code of Conduct and Ethics for Employees ("CCEE") which applies to all Directors and employees. The CCEE covers the areas of workplace culture and environment, company records and assets, conflict of interest, anti-bribery and corruption, gifts, hospitality and entertainment, insider trading, money laundering, fraud and so forth.</p> <p>The principles of the CCEE include the following:-</p> <ul style="list-style-type: none"><li>a) equal opportunity and non-discrimination at the workplace;</li><li>b) provide a safe and healthy work environment;</li><li>c) avoid any form of harassment, threat, intimidation, violence or any other inappropriate behaviour;</li><li>d) prohibit working under the influence of alcohol, illegal drugs or controlled substances;</li><li>e) protection and proper use of the Company's data, assets and resources;</li><li>f) exercise caution and protect the Company's confidential information;</li><li>g) avoid conflict of interest;</li><li>h) zero-tolerance approach against bribery and corruption;</li><li>i) not to accept gifts that may cause improper influence, or appear or be perceived to cause improper influence;</li><li>j) not to accept hospitality and entertainment that may be perceived as a way of improperly influencing the judgment and decision making process in a business transaction;</li><li>k) no insider trading and exercise due care when dealing in shares of the Company;</li><li>l) avoid money laundering and fraudulent activities;</li><li>m) encourage employees who know of, or suspect, a violation of the CCEE, to whistle blow or report the concerns through the Whistleblowing Policy; and</li></ul>

	<p>n) comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates.</p> <p>In order to ensure the compliance with the Main Market Listing Requirements pertaining to dealings in the securities of the Company, all the Directors and principal officers are advised on a quarterly basis their obligations for dealings in the securities of the Company prior to the release of the quarterly financial results.</p> <p>Pursuant to the CCEE, the Directors or employees shall avoid any situation in which they have an interest in any entity or matter that may influence their judgment in the discharge of their responsibilities. As such, in the event the Directors are interested or deemed interested in any proposal, they will abstain from the Board deliberation and also abstain from voting in respect of the resolution relating to the proposal.</p> <p>All employees of the Group and the Directors of the Company are requested to provide their annual Integrity Pledge and the Conflict of Interest Declaration to demonstrate their individual commitment to complying with the Anti-Bribery and Corruption Policy of the Group. The declarations made by the employees and Directors will be assessed by the Group Human Resource, and a report will be presented to the Audit Committee accordingly.</p> <p>The Board also places emphasis on the business ethics and conduct of third parties who have dealings or transactions with the Group and has adopted the Code of Business Conduct for Third Parties (“CBC for 3<sup>rd</sup> Parties”) which applies to all persons or entities who provide work, goods and services or act for or on behalf of the Group. The areas covered by the CBC for 3<sup>rd</sup> Parties include but are not limited to the Company’s assets and information, dealing with customers and media, conflict of interest, health, safety and environment (HSE), anti-bribery and corruption, gifts, hospitality and entertainment requirements.</p> <p>As part of the Company’s commitment against all forms of bribery and corruption, the Board has in place the Anti-Bribery and Corruption System (“ABCS”) which consolidates various policies and processes in compliance with anti-bribery and corruption laws. The Anti-Bribery and Corruption Policy (“ABC Policy”) of the Company forms part of the ABCS and aims to set out the parameters including the main principles, policies and guidelines in relation to anti-bribery and corruption. The requirements of the ABCS of the Company are further set out in the Statement on Risk Management and Internal Control.</p> <p>The CCEE, CBC for 3<sup>rd</sup> Parties and ABC Policy are available for reference at <a href="http://www.ijm.com">www.ijm.com</a>.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

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

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

### Intended Outcome

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

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

### Practice 3.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board encourages employees and associates to report incidences of suspected and/or real misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group. The Whistleblowing Policy adopted by the Company provides and facilitates a structured mechanism for any employee and associate to make disclosures of alleged improper conduct (whistleblowing) to the relevant authorities in good faith.</p> <p>The Audit Committee (“AC”) generally reviews the reports by the internal auditors on whistleblowing incidents (if any) on a quarterly basis and as needed should the status of such investigations warrants it. Where evidence of misconduct and wrongdoing is found, Management and/or the AC would take immediate actions. During FY2024, three (3) whistleblowing complaints were received by the Chief Audit Executive (“CAE”). The complaints alleged insider trading, malpractice in payment, falsification of document, and inappropriate use of company assets. Investigations established that the complaint regarding document falsification and inappropriate use of company asset were valid, while the other two (2) cases were unsubstantiated allegations. Corrective actions are taken by Management to address the findings of the investigation.</p> <p>The Whistleblowing Policy is posted on the Company’s website at <a href="http://www.ijm.com">www.ijm.com</a> for ease of access for reporting by employees, associates and third parties of the Group.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



**Intended Outcome**

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

**Practice 4.1**

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

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of incorporating the environment, social and governance aspects throughout the business operations and has embedded sustainability considerations into the products and services of the Group.</p> <p>The Group’s sustainability commitments were governed by IJM’s Group-wide sustainability governance framework (“Sustainability Framework”), established in financial year ended 31 March 2017, led by the Board and supported by the Operating Committee and the Group Sustainability Steering Team in integrating sustainability practices across the Group.</p> <p>The Sustainability Framework serves as a comprehensive guide, enabling the Group to seamlessly integrate governance, strategies, focus areas, performance and initiatives. Aligned with local and global sustainability agendas such as the SDGs and the Ten Principles of the UNGC. The Sustainability Framework encompasses four (4) key pillars that are Marketplace, Environment, Workplace and Community.</p> <p>The Board endorsed the Group’s Sustainability Roadmap FY 2023 – FY 2025 (“Roadmap”) in FY 2022 which cascades high level decisions to be operationalised across the Group. The Roadmap serves as a comprehensive guide for the Group’s business divisions, outlining integration of sustainability goals and strategies throughout the organisation.</p> <p>Further details on the sustainability governance structure are provided in the Sustainability Statement of the Annual Report 2024.</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>	:	Communication is via the annual Sustainability Statement, Materiality Matrix assessments, Company’s website and sustainability related events such as IJM Sustainability Week, whilst targets and priorities are addressed under IJM Group’s Sustainability Roadmap FY2023 – FY2025.	
<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 Group undertook a comprehensive climate assessment, which lasted for 1.5 years, before publicly announcing its climate commitment in April 2023. As part of the development of the Group’s climate strategy, the Board had numerous engagements with Management and appointed consultants. The climate assessment included the Group’s carbon emissions profile of Scope 1, 2 and 3 (8 categories), as well as its climate physical and transition risks and opportunities.</p> <p>Additionally, the Board placed greater emphasis on sustainability matters relevant to the Group’s businesses at the Board meetings or briefings during FY2024. Some Directors had participated in training and/or seminars to stay abreast with sustainability matters relevant to the Company and the Group’s business. The trainings attended by the Board members during FY2024 are available on the Company’s website <a href="http://www.ijm.com">www.ijm.com</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.4**

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>In the annual Board Assessment for FY2024, the Board was assessed on their sustainability leadership and roles relating to environmental, social and governance (ESG). The Board was satisfied with its performance in addressing the sustainability issues of the Group. The criteria pertaining to sustainability in the annual Board Assessment would be reviewed and enhanced from time to time to ensure its relevance.</p> <p>Sustainability-related key performance indicators (KPI) have been incorporated into the balanced scorecards of the senior management for FY2025.</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>	:	Choose an item.	

### **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>	:	The Chief Sustainability & Investor Relations Officer, Mr Shane Guha Thakurta is the designated person to provide dedicated focus to manage sustainability strategically in the operations of the Group.

## 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 composition and size of the Board is reviewed by the Nomination &amp; Remuneration Committee ("NRC") annually to ensure its appropriateness and effectiveness.</p> <p>During the FY2024, the NRC reviewed the composition of the Board using a Board matrix to assess whether it is balanced and diversified, capable of bringing fresh perspectives to the Company.</p> <p>Based on the results of the FY2024 Board Evaluation provided by the independent consultant, it was observed that the Board's composition could be enhanced to achieve greater diversity in terms of skills, backgrounds, experiences, age, gender and ethnicity, while maintaining the current Board size.</p> <p>The NRC also reviewed and assessed the performance of the Directors who are seeking for re-election through the Self &amp; Peer Assessments for FY2024. The areas of assessment include board dynamics, contribution and commitment, roles and responsibilities, technical competence, governance, independence and integrity. Based on the assessment, the NRC was satisfied with their performances and was of the view that their continued service would benefit the Company and its stakeholders. As such, the NRC recommended to the Board for re-election of the Directors at the forthcoming Annual General Meeting.</p> <p>The Directors' Fit and Proper Policy adopted by the Board together with the Directors' Declaration of Fit and Proper Form serve as a guide for the NRC and the Board in their review and assessment of candidates or re-elected Directors.</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>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board comprises more than 50% independent directors. 10 of the 11 Board members are Non-Executive Directors and among the Non-Executive Directors, seven (7) are Independent Non-Executive Directors (equivalent to 63.6%).</p> <p>Tunku Alina Binti Raja Muhd Alias (“Tunku Alina”) and Mr Goh Tian Sui (“GTS”) who are subject to retirement by rotation at the 40<sup>th</sup> Annual General Meeting (“40<sup>th</sup> AGM”), have not offered themselves for re-election and they will retire upon the conclusion of the 40<sup>th</sup> AGM. With the retirement of Tunku Alina and GTS, the composition of independent directors in the Board will be at 55.6%.</p> <p>The balance between Independent Non-Executive, Non-Executive and Executive Directors, together with the support from Management, is to ensure that there is an effective and fair representation for shareholders, including minority shareholders. It further ensures that issues of strategy, performance and resources are fully addressed and investigated to take into account the long-term interests of shareholders, other relevant stakeholders and the community in which the Group conducts its business.</p> <p>The composition and size of the Board is reviewed from time to time to ensure its appropriateness and effectiveness.</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 5.3**

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>	:	To date, none of the Independent Non-Executive Directors of the Company has exceeded the term limit of nine (9) years as an independent director.	
<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.

<i>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.</i>	
<b>Application</b>	: Adopted
<b>Explanation on adoption of the practice</b>	: The Company has adopted a policy which limits the tenure of its Independent Directors to nine (9) years without further extension.

### 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 Directors have a diverse set of skills, experience and knowledge necessary to govern the Group. The Directors are professionals in the fields of construction and engineering, finance, accounting, investments, property, toll infrastructure, legal practice and climate governance. Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to ensure that the Group continues to be a competitive leader within its diverse industry segments with a strong reputation for technical and professional competence.</p> <p>In evaluating candidates for appointment to the Board, the Nomination &amp; Remuneration Committee (“NRC”) and the Board will always evaluate and match the criteria of the candidates based on experience, skill, competency, knowledge, potential contribution and boardroom diversity (including gender, ethnicity and age) to the requirements and the strategic direction.</p> <p>The Directors’ Fit and Proper Policy adopted by the Board serves as a guide for the NRC and the Board in their review and assessment of candidates.</p> <p>The NRC is responsible for making recommendations for the appointment of Directors to the Board and major subsidiaries. In making these recommendations, the NRC considers the criteria such as the required mix of skills, experience and knowledge, which the Directors bring to the Board.</p> <p>Apart from the appropriate mix of skills, knowledge and experience, a person to be appointed or elected/re-elected as Director shall possess the necessary quality and character as well as integrity, competency and commitment. The persons who were appointed or re-elected as Directors during the FY2024 had respectively submitted a self-declaration as to his/her fitness and propriety via the Directors’ Declaration of Fit and Proper Form adopted by the Board.</p> <p>The process for the appointment and re-appointment of Non-Executive Directors (both the Independent and non-Independent Directors) to the Board requires the NRC to:-</p> <p>a) review the annual Board assessments &amp; evaluations;</p>

	b) determine the skills matrix and criteria; c) source for the candidate; d) conduct an engagement session with the candidate; e) evaluate and match the criteria of the candidate; f) recommend to the Board for appointment; and following which, the Board approves the appointment of the candidate.	
<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>	:	Departure
<b>Explanation on application of the practice</b>	:	Please provide an explanation on how the practice is being applied.
<b>Explanation for departure</b>	:	<p>During the FY2024, Datuk Ir. Ahmad 'Asri bin Abdul Hamid ("Datuk 'Asri") was appointed as an Independent Non-Executive Director ("INED") of the Company via the recommendation from the existing Board members.</p> <p>Prior to the appointment of Datuk 'Asri as an INED, the Nomination &amp; Remuneration Committee ("NRC") had conducted the annual Board Evaluation and reviewed the needs of the Board, as well as being part of the Board progression planning for the FY2024, it was determined that the Board required one (1) suitable candidate with the skillsets of engineering and construction, government relations and business management. The selection of such candidate was done with due regard to the Board diversity and composition and in line with the Board Diversity Policy.</p> <p>With the recommendation of the NRC, the Board was of the view that Datuk 'Asri is a good candidate as he has extensive experience in the construction industry through his services in the public sector. Datuk 'Asri is also a champion of IBS, digitalisation of the construction industry, as well as sustainability in construction all of which are within the strategic direction of the Company. In addition to his experience and qualifications, the age and ethnicity of Datuk 'Asri had also fulfilled the Board diversity requirement of the Company.</p> <p>Given the background and experience of Datuk 'Asri as an available candidate, the Board did not find a need of utilising independent sources in this situation to identify other suitably qualified candidates. However, the Board is aware of the governance requirements for appointment of Directors and it always acts in the best interest of the Company based on a principle that balances the needs of the Company and the requirements of good corporate governance.</p>

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

<b>Measure</b>	: Notwithstanding the above, the Company would endeavour to enhance the Board selection process and will utilise the independent sources for selection of candidates, if the need arises.
<b>Timeframe</b>	: Others For future appointment

## 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 performance of each Director subject for re-election had been assessed through the Board annual evaluation. The areas of assessment of individual Directors include board dynamics, contribution and commitment, roles and responsibilities, technical competence, governance, independence and integrity. The Nomination &amp; Remuneration Committee and the Board are satisfied with the performance and effectiveness of the Directors. In addition, the level of independence demonstrated by the Independent Directors who are seeking for re-election had also been assessed.</p> <p>Pursuant to the Directors' Fit and Proper Policy, the Directors who are seeking re-election had provided their declarations in relation to the compliance with legal obligations, regulatory requirements and professional standards; personal and financial integrity as well as time commitment.</p> <p>The information for the Directors standing for re-election is disclosed in the Explanatory Notes to the Notice of the 40<sup>th</sup> Annual General Meeting.</p> <p>The details of the Directors including their interest, position, experience and relationship are set out in the Directors' profile in the Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 5.8**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Nomination & Remuneration Committee (“NRC”) is chaired by Tunku Alina Binti Raja Muhd Alias, who is an Independent Non-Executive Director.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



### Intended Outcome

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

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure	
<b>Explanation on application of the practice</b>	:	Please provide an explanation for the departure.	
<b>Explanation for departure</b>	:	<p>The Company recognises that Board diversity enhances decision-making capability and the quality of the Board's performance, and it believes that a truly diverse Board will leverage differences in perspective, knowledge, skill, industry experience, background, age, ethnicity, race and gender amongst the Directors, and these differences will be considered in determining the optimum composition of the Board.</p> <p>The Directors are also mindful that the Board size influences Board effectiveness, as such the Directors would always consider the optimum Board size to ensure efficient functioning of the Board.</p> <p>The Company currently has three (3) women Directors out of a total of 11 Directors representing 27% of the Board composition. Tunku Alina Binti Raja Muhd Alias and Goh Tian Sui, who are subject to retirement by rotation at the 40<sup>th</sup> Annual General Meeting ("40<sup>th</sup> AGM"), have not offered themselves for re-election and they will retire upon the conclusion of the 40<sup>th</sup> AGM. With their retirement, the composition of women Directors on the Board will be at 22%.</p> <p>The Board Diversity Policy is available for reference at <a href="http://www.ijm.com">www.ijm.com</a>.</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 attempt to meet the 30% women Director requirement as soon as practicable.	
<b>Timeframe</b>	:	Others	As and when there is vacant Board position.

**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 gender diversity for the Board is disclosed in the Corporate Governance Overview Statement of the Annual Report 2024 and guided by the Board Diversity Policy which is available for reference at <a href="http://www.ijm.com">www.ijm.com</a>.</p> <p>The Company employs a diverse workforce and has a Diversity and Inclusion Policy enshrined in its core values. For FY2024, the women representation in management roles of the Group stood at 31%.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

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

### Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>											
<b>Application</b>	: Applied										
<b>Explanation on application of the practice</b>	: The Board undertook a formal and comprehensive annual evaluation of its own performance, comprising the Board as a whole, the Board committees, each individual Director as well as the independence of Independent Directors for FY2024 (“BA 2024”) via an independent consultant. The BA 2024 was conducted online and the questionnaires cover the following areas:-										
	<table border="1"> <thead> <tr> <th>Types of assessment</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>1) Board Assessment by Individual Directors</td> <td>Board mix and composition; Board’s roles and responsibilities on strategic planning, managing performance &amp; succession planning, risk management &amp; internal controls, environmental, social and governance (ESG) &amp; sustainability, and communication with stakeholders; Board governance and integrity; Board dynamics; leadership by chair; Board assessment, nomination &amp; appointments; Board process; Board’s relationship with Management.</td> </tr> <tr> <td>2) Self &amp; Peer Assessment</td> <td>Board dynamics, contribution &amp; commitment; roles and responsibilities; technical competence; governance, independence and integrity.</td> </tr> <tr> <td>3) Assessment of Independence of Independent Directors</td> <td>Any relationship between the Independent Director and the Group and his involvement in any significant transactions with the Group.</td> </tr> <tr> <td>4) Audit Committee (“AC”) Assessment</td> <td>AC mix and composition; roles &amp; responsibilities over financial reporting, internal control, internal</td> </tr> </tbody> </table>	Types of assessment	Assessment Criteria	1) Board Assessment by Individual Directors	Board mix and composition; Board’s roles and responsibilities on strategic planning, managing performance & succession planning, risk management & internal controls, environmental, social and governance (ESG) & sustainability, and communication with stakeholders; Board governance and integrity; Board dynamics; leadership by chair; Board assessment, nomination & appointments; Board process; Board’s relationship with Management.	2) Self & Peer Assessment	Board dynamics, contribution & commitment; roles and responsibilities; technical competence; governance, independence and integrity.	3) Assessment of Independence of Independent Directors	Any relationship between the Independent Director and the Group and his involvement in any significant transactions with the Group.	4) Audit Committee (“AC”) Assessment	AC mix and composition; roles & responsibilities over financial reporting, internal control, internal
Types of assessment	Assessment Criteria										
1) Board Assessment by Individual Directors	Board mix and composition; Board’s roles and responsibilities on strategic planning, managing performance & succession planning, risk management & internal controls, environmental, social and governance (ESG) & sustainability, and communication with stakeholders; Board governance and integrity; Board dynamics; leadership by chair; Board assessment, nomination & appointments; Board process; Board’s relationship with Management.										
2) Self & Peer Assessment	Board dynamics, contribution & commitment; roles and responsibilities; technical competence; governance, independence and integrity.										
3) Assessment of Independence of Independent Directors	Any relationship between the Independent Director and the Group and his involvement in any significant transactions with the Group.										
4) Audit Committee (“AC”) Assessment	AC mix and composition; roles & responsibilities over financial reporting, internal control, internal										

		and external audit; effectiveness and quality of the AC .
	5) AC Members (Self & Peers) Assessment	AC's dynamics, contribution & commitment; roles and responsibilities; technical competence; as well as governance, independence and integrity.
	6) Nomination & Remuneration Committee ("NRC") Assessment	NRC's mix and composition; roles & responsibilities, effectiveness and quality.
	7) Operating Committee ("OC") Assessment	OC's mix and composition; roles & responsibilities; effectiveness and quality.
<p>Based on the results of the BA 2024, the NRC and the Board were satisfied with the overall performance and effectiveness of the Board. The overall rating by the Board was positive, with consensus among all Board members highlighting several strengths, including the diverse knowledge and experience of the Board members, sufficient support from the Board Committees, effective Board leadership, and active participation of Board members at meetings.</p> <p>The areas identified for enhancement are cybersecurity, environment social and governance (ESG) and risk management.</p> <p>The independent consultant had highlighted some areas for improvement, including diversity in gender and ethnicity. The Board and the NRC will take the necessary actions to address these areas.</p> <p>The Board was also satisfied with the performance and effectiveness of all the Board Committees and there were no major concerns from the results of the evaluations of the Board Committees.</p> <p>The NRC had reviewed and assessed the performance of the Directors who are seeking re-election through the Self &amp; Peer Assessments. The NRC was satisfied with their performance and is of the view that their continued service would benefit the Company and its stakeholders.</p> <p>The process of the BA 2024 was as follows:-</p> <ol style="list-style-type: none"> <li>a) the independent consultant reviewed and assisted in the enhancement of the Board Evaluation process for Board and Board Committees Assessments, including the enhancement of Board Evaluation questionnaires;</li> <li>b) the independent consultant advised the Directors to perform the assessments and evaluations on an e-portal facilitated by the independent consultant;</li> <li>c) the Directors completed and submitted the online assessment forms;</li> </ol>		

	<p>d) the independent consultant conducted interview with the Chairman, the Chief Executive Officer &amp; Managing Director, the Chair of AC and NRC;</p> <p>e) the independent consultant prepared and presented the assessment reports to the NRC;</p> <p>f) the NRC reviewed the assessment reports and identified areas for improvement;</p> <p>g) the NRC presented the assessment reports to the Board and reported on the identified areas for improvement;</p> <p>h) the Board reviewed the assessment reports and the recommended areas for improvement by the independent consultant; and</p> <p>i) the Board received the assessment reports, and the findings will be used to enhance the Board's effectiveness.</p>
<p><b>Explanation for departure</b></p>	<p>:</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>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### 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 Company supports competitive remuneration and compensation necessary to attract, retain and motivate quality people required to lead, manage and serve the Company in a competitive environment. The appropriate levels of remuneration and compensation are essential to enhance the long-term interests of stakeholders and shareholders.</p> <p>The Board has adopted a remuneration policy to provide clear and guiding principles for determining the remuneration of the Board and Senior Management and to align their interests with the interests of shareholders and the business strategies of the Group. The remuneration policy of the Company is available for reference at <a href="http://www.ijm.com">www.ijm.com</a>.</p> <p>The remuneration policy of the Company is based on the philosophy of giving weightage to performance. The Company aims to establish remuneration packages for Senior Management, including Executive Directors, at competitive market levels. Additionally, it provides performance-based incentives that are determined by individual and corporate performance outcomes, ensuring that the remuneration packages reflect the relevant duties and responsibilities, and are fair and equitable.</p> <p>The Company believes long term success of the Group is directly linked to the calibre of employees and it is imperative for the Group to remain competitive in remuneration, besides implementing other measures, in order to attract the right talent from the already scarce labour market and at the same time retain the good ones currently onboard.</p> <p>In the case of Non-Executive Directors, the remuneration philosophy is to establish a remuneration structure that is commensurate with the contribution and level of responsibilities undertaken by the individual Non-Executive Directors. The Company also ensures that the remuneration is fair and reasonable compared to other companies of a similar nature, size and complexity.</p>

	<p>The annual remuneration review takes place in April each year. The remuneration of the Group will be reviewed by the Chief Executive Officer &amp; Managing Director (CEO&amp;MD) with the relevant internal and external inputs before presenting it to the Nomination &amp; Remuneration Committee (“NRC”) for approval. The NRC reviews the remuneration of Non-Executive Directors, Executive Directors and top Senior Management in the month of May annually whereby the NRC will consider various factors including the performances of the Group and the divisions, individual performances, duties, responsibilities and commitments of the Directors and top Senior Management. Upon the review by the NRC, the appropriate recommendations will be made to the Board for approval. The Board will consider and, if deemed appropriate, approve the recommended remuneration for Executive Directors and top Senior Management. As for the remuneration of Non-Executive Directors, upon the endorsement of the recommendation by the NRC, the Board will propose the remuneration for approval by the shareholders at the following Annual General Meeting.</p>	
<p><b>Explanation for departure</b></p>	<p>:</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>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### 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 duties and responsibilities of the Nomination &amp; Remuneration Committee ("NRC"), amongst others, are to review the remuneration of Non-Executive Directors and the terms and conditions of employment &amp; remuneration of Executive Directors and top Senior Management of the Group; and to review and approve annual salary increments and bonuses of Executive Directors and top Senior Management of the Group.</p> <p>The policies and procedures on the remuneration of the Directors and top Senior Management are stipulated in the Remuneration Policy of the Company.</p> <p>The terms of reference of the NRC and the Remuneration Policy are available for reference at <a href="http://www.ijm.com">www.ijm.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**

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>	:	

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato' Tan Boon Seng @ Krishnan	Non-Executive Non-Independent Director	300,000	22,500	-	-	35,200	11,012	368,712	-	-	-	-	-	-	-
2	Lee Chun Fai	Executive Director	-	-	1,228,896	785,128	119,737	348,187	2,481,948	-	-	-	-	-	-	-
3	Dato' David Frederick Wilson	Independent Director	150,000	22,500	-	-	-	15,853	188,353	-	-	-	-	-	-	-
4	Goh Tian Sui	Independent Director	150,000	22,500	-	-	29,720	280	202,500	-	-	-	-	-	-	-
5	Tunku Alina binti Raja Muhd Alias	Independent Director	187,500	25,500	-	-	30,000	-	243,000	-	-	-	-	-	-	-
6	Tan Ting Min	Independent Director	235,300	33,000	-	-	30,000	-	298,300	-	3,000	-	-	-	-	3,000
7	Dato' Ir. Tan Gim Foo	Independent Director	206,600	33,000	-	-	30,000	-	269,600	48,000	10,000	-	-	-	-	58,000
8	Loh Lay Choon	Independent Director	285,000	35,500	-	-	30,000	-	350,500	-	-	-	-	-	-	-
9	Datuk Ir. Ahmad 'Asri bin Abdul Hamid <i>(appointed on 4 September 2023)</i>	Independent Director	86,005	12,000	-	-	-	-	98,005	-	-	-	-	-	-	-
10	Datuk Lee Teck Yuen	Non-Executive Non-	178,700	25,500	-	-	-	-	204,200	48,000	4,000	-	-	-	-	52,000

No	Name	Directorate	Company							Group						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
		Independent Director														
11	Azhar bin Ahmad	Non-Executive Non-Independent Director	150,000	22,500	-	-	-	-	172,500	-	-	-	-	-	-	-

### 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>	:	Departure												
<b>Explanation on application of the practice</b>	:													
<b>Explanation for departure</b>	:	<p>The remuneration paid to the top five (5) senior management for the FY2024 analysed into bands of RM50,000 is as follows:-</p> <table border="1" data-bbox="577 976 1366 1238"> <thead> <tr> <th>Range of Remuneration</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM1,150,000 to RM1,200,000</td> <td>1</td> </tr> <tr> <td>RM1,250,000 to RM1,300,000</td> <td>1</td> </tr> <tr> <td>RM1,700,000 to RM1,750,000</td> <td>1</td> </tr> <tr> <td>RM2,300,000 to RM2,350,000</td> <td>1</td> </tr> <tr> <td>RM2,450,000 to RM2,500,000</td> <td>1</td> </tr> </tbody> </table> <p>Other than the remuneration of the Chief Executive Officer &amp; Managing Director ("CEO&amp;MD"), the Company has not disclosed on a named basis the top five (5) senior management's remuneration in view of the competitiveness in the market for senior talents.</p> <p>The Board endeavours to benchmark the remuneration package of the senior management with the industry and to ensure that the remuneration commensurates with the scope of work, and performance of the individual and the Group.</p>	Range of Remuneration	Number of Senior Management	RM1,150,000 to RM1,200,000	1	RM1,250,000 to RM1,300,000	1	RM1,700,000 to RM1,750,000	1	RM2,300,000 to RM2,350,000	1	RM2,450,000 to RM2,500,000	1
Range of Remuneration	Number of Senior Management													
RM1,150,000 to RM1,200,000	1													
RM1,250,000 to RM1,300,000	1													
RM1,700,000 to RM1,750,000	1													
RM2,300,000 to RM2,350,000	1													
RM2,450,000 to RM2,500,000	1													
<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 monitor the development in the marketplace for such detailed disclosure, and consider such disclosures, in future.												
<b>Timeframe</b>	:	Others												

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.

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

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	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.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	Ms Loh Lay Choon, the Chair of the Audit Committee is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA).	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		



**Intended Outcome**

There is an effective and independent Audit Committee.

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

**Practice 9.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The External Auditors Policy of the Company provides that a former audit partner (including former partner of affiliate firm) who is being appointed as a member of the Audit Committee shall observe a cooling-off period of at least three (3) years before his/her appointment.</p> <p>The External Auditors Policy is available for reference at <a href="http://www.ijm.com">www.ijm.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 9.3

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 ("AC") (together with the Chief Financial Officer and Chief Audit Executive) had undertaken an assessment on the performance, suitability and independence of the external auditors for the FY2024 pursuant to the External Auditors Policy, which has outlined the guidelines and procedures for the assessment and monitoring of external auditors.</p> <p>The details of the External Auditors Policy are available for reference at <a href="http://www.ijm.com">www.ijm.com</a>.</p> <p>The criteria for the External Auditors Assessment include quality of services, sufficiency of resources, communication and interaction, independence, objectivity and professional scepticism. There were no major concerns from the results of the assessment of the External Auditors. The AC was satisfied with the external auditors' exercise of independence, objectivity, technical competency and quality of service provided.</p> <p>The process of the online assessment of the external auditors is as follows:-</p> <ol style="list-style-type: none"><li>a) the Company Secretary advises the AC, Chief Financial Officer and Chief Audit Executive ("Parties") to perform the assessment;</li><li>b) the Parties complete and submit assessment forms;</li><li>c) the Company Secretary compiles the assessment results;</li><li>d) the Company Secretary presents the assessment report to the AC;</li><li>e) the AC reviews the assessment report; and</li><li>f) the AC discusses with the external auditors on the areas of weaknesses, if any.</li></ol> <p>Following the review of the external auditors' effectiveness and independence, the AC concluded that there were no major concerns in the performance of the external auditors. The AC was satisfied with the performance, suitability and independence of the external auditors. Accordingly, the re-appointment of Messrs PricewaterhouseCoopers PLT as auditors of the Company was being recommended by the AC to the Board.</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>	:	All members of the Audit Committee are Independent Non-Executive Directors and the members are as follows:-  1) Loh Lay Choon - <i>Independent Non-Executive Director (Chair)</i> ; 2) Dato' Ir. Tan Gim Foo - <i>Independent Non-Executive Director</i> ; and 3) Tan Ting Min - <i>Independent Non-Executive Director</i> .

## 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>An annual assessment and evaluation on the performance and effectiveness of the Audit Committee ("AC") was undertaken by the Board of Directors for the FY2024. The AC was assessed based on five (5) key areas, namely, mix and composition, roles &amp; responsibilities over financial reporting, internal control, internal and external audit; and effectiveness and quality, to determine whether the AC had carried out its duties in accordance with its terms of reference.</p> <p>In view of the appropriate level of knowledge, skills, experience and commitment of its members being critical to the AC's ability to discharge its responsibilities effectively, an assessment of the AC members (self &amp; peers) was also carried out for FY2024.</p> <p>Based on the annual assessment for FY2024, the Board is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC's terms of reference and have supported the Board in ensuring that the Group upholds appropriate standards of Corporate Governance.</p> <p>During the FY2024, the activities carried out by the AC included the following:-</p> <ul style="list-style-type: none"><li>a) reviewed the quarterly financial results and announcements as well as the year-end audited financial statements of the Group and Company, and recommended them for approval by the Board;</li><li>b) reviewed and approved the annual Internal Audit Plan proposed by the internal auditors to ensure the adequacy of the scope and coverage of work;</li><li>c) reviewed the audit reports presented by the internal auditors on their findings and recommendations with respect to governance, risk and internal control weaknesses. The AC then discussed and</li></ul>

	<p>considered those findings including the Management’s responses thereon, before proposing that those weaknesses be rectified and recommendations for improvements be implemented where appropriate, in a timely manner;</p> <ul style="list-style-type: none"> <li>d) reviewed the internal auditors’ findings on whistleblowing cases, and management’s responses and resolutions thereon;</li> <li>e) reviewed and endorsed the external auditors’ audit plan, including the areas of audit emphasis and their audit approach for the FY2024;</li> <li>f) reviewed and approved the provision of non-audit services by the external auditors permissible for the external auditors to undertake, as provided under the By-Laws of the Malaysian Institute of Accountants;</li> <li>g) reviewed with the external auditors the results of their work and their audit report on the financial statements;</li> <li>h) reviewed and assessed the performance, suitability and independence of the external auditors; and</li> <li>i) reviewed the Risk Management Committee’s reports, assessed the adequacy and effectiveness of the enterprise risk management framework and the appropriateness of Management’s responses to the identified key risk areas;</li> <li>j) reviewed the monitoring reports and implementation progress arising from the Anti-Bribery and Corruption System (ABCS); and</li> <li>k) reviewed the related party transactions and conflicts of interest, if any, that arose within the Group to ensure that the transactions are fair and reasonable to the Group and Company and are not to the detriment of the non-controlling shareholders.</li> </ul> <p>The terms of reference of the AC were revised during FY2024 following the establishment of the Risk Management and Sustainability Committee (“RMSC”) on 30 November 2023, whereby the responsibilities for overseeing the risk management systems, reviewing reports on risk management, reviewing ABCS reports, and overseeing compliance officer reports related to ABCS were delegated to the RMSC.</p> <p>The AC members attended relevant conferences, seminars and training programmes from time to time to keep themselves abreast of relevant developments in accounting standards and practices. Details of the training programmes attended by the AC members are available at <a href="http://www.ijm.com">www.ijm.com</a>.</p> <p>The AC has sufficient understanding of the Group’s business and is able to apply a critical and probing view on the financial results and information prepared by Management. The AC also provides appropriate advice to Management relating to the financial position and performance of the Group.</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

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 affirms its commitment and responsibility for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets, as well as to discharge its stewardship responsibility in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risks.</p> <p>The Board continually articulates, implements and reviews the adequacy and effectiveness of the Group's enterprise-wide risk management and internal control system which has been embedded in all aspects of the Group's activities. The Board reviews the processes, responsibilities and assesses for reasonable assurance that risks have been managed within the Group's risk appetite and tolerance, with a system that is viable and robust.</p> <p>Recognising the ever-changing risk landscape, the Group's system is designed to effectively manage rather than completely eliminate the risks of failure to achieve the Group's business objectives. Accordingly, such systems can only provide a reasonable and not absolute assurance against material misstatement, loss or fraud. The aim, however, is to ensure that any adverse impact arising from a foreseeable future event or situation on the Group's objectives is identified, mitigated and managed.</p> <p>The Group has a well-defined organisational structure with clearly delineated lines of accountability, authority and responsibility to the Board, its committees and operating units. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control systems. Some of the key processes for reviewing the adequacy and effectiveness of the risk management and internal control are as follows:-</p> <p>a) the Risk Management &amp; Sustainability Committee ("RMSC") of the Company, with the assistance from the Risk Management Committee ("RMC") at the management level, has oversight over the Group's risk management framework, and obtains assurance through the Internal Audit Department ("IAD"), on the adequacy and effectiveness of the risk management and internal control</p>



	<p>systems. The RMSC will seek guidance from independent external consultants as needed;</p> <p>b) the RMC oversees and performs regular reviews on the risk management processes of the Group’s business and operations to ensure prudent risk management. The RMC is chaired by the Chief Financial Officer and includes representatives from all business divisions, both local and overseas, as well as from the relevant Head Office operations support departments. Each business division’s risk management function is led by the respective head of the division; and</p> <p>c) the IAD provides an independent and objective assurance review of the Group’s internal control. IAD performs risk-based audits on various operating units within the Group, in-line with the annual audit plan approved by the Audit Committee. The IAD reviews and verifies control effectiveness, and subsequently recommends for internal control improvement for any gaps identified that may strategically or operationally affect the operations of the Group.</p> <p>The Risk Management &amp; Integrity Department (“RMI”) was established as a dedicated function to ensure Enterprise Risk Management and Integrity activities are developed, executed and monitored in line with the Group’s corporate objectives and strategies. The RMI is headed by Ms Siew Yee Ching, the Chief Risk Management &amp; Integrity Officer.</p> <p>The RMSC, predominantly composed of Independent Directors, was established on 30 November 2023. Its responsibilities include overseeing the adequacy and effectiveness of risk management system and Anti-Bribery &amp; Corruption System (“ABCS”), as well as overseeing the Group’s Environmental, Social and Governance (ESG) framework and strategy.</p> <p>The RMSC will regularly assess the Risk Management Framework to ensure its adequacy and effectiveness.</p>
<p><b>Explanation for departure</b></p>	<p>:</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>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

**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>	:	Details of the features of risk management and internal control framework and the adequacy coupled with effectiveness of the framework are disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2024.	
<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 Risk Management &amp; Sustainability Committee ("RMSC") of the Company oversees the adequacy and effectiveness of the risk management system, ensuring that appropriate risk management frameworks and policies are in place.</p> <p>The majority of RMSC members are Independent Non-Executive Directors, listed as follows:-</p> <ol style="list-style-type: none"><li>1) Datuk Ir. Ahmad 'Asri bin Abdul Hamid - <i>Independent Non-Executive Director (Chair)</i>;</li><li>2) Loh Lay Choon - <i>Independent Non-Executive Director</i>; and</li><li>3) Azhar bin Ahmad - <i>Non-Executive Director</i>.</li></ol>

### 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's Internal Audit function is carried out by the Internal Audit Department which is headed by Encik Yusri Yunus, the Chief Audit Executive ("CAE"). The CAE reports directly to the Audit Committee and administratively to the Chief Executive Officer &amp; Managing Director (CEO&amp;MD).</p> <p>All internal auditors have signed the annual declarations that they were and had been independent, objective and in compliance with the Code of Conduct and Ethics for Employees of IJM Corporation Berhad and the Institute of Internal Auditors (IIA) in carrying out their duties for the FY2024.</p> <p>The Audit Committee is satisfied that the internal auditors' independence has been maintained as adequate safeguards are in place.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

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

## Practice 11.2

The board should disclose–

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

<b>Application</b>	:	Applied										
<b>Explanation on application of the practice</b>	:	<p>The Internal Audit Department (“IAD”) is headed by the Chief Audit Executive (“CAE”), Encik Yusri Yunus. He holds a Bachelor of Commerce (Accounting and Finance) degree from the Australian National University, Australia and is a Member of the Institute of Internal Auditors, Malaysia. The CAE reports directly to the Audit Committee and administratively to the Chief Executive Officer &amp; Managing Director (CEO&amp;MD).</p> <p>All internal auditors of the Group IAD have signed the annual declarations that they were and had been independent, objective and in compliance with the Code of Conduct and Ethics for Employees of IJM Corporation Berhad and the Institute of Internal Auditors (IIA) in carrying out their duties for the FY2024.</p> <p>The Audit Committee is satisfied that the IAD has sufficient resources and is able to access information to undertake its duties effectively.</p> <p>The IAD comprised of 17 staff and their level of expertise and qualifications as of 31 March 2024 were as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Qualification Category</th> <th style="text-align: center;">Percentage of total auditors</th> </tr> </thead> <tbody> <tr> <td>Professional Qualification (CPA, CIA, ACCA, CIMA, etc)</td> <td style="text-align: center;">35%</td> </tr> <tr> <td>Post Graduate Degree (MBA, MA, etc)</td> <td style="text-align: center;">20%</td> </tr> <tr> <td>Bachelor’s Degree</td> <td style="text-align: center;">40%</td> </tr> <tr> <td>Diploma Level</td> <td style="text-align: center;">5%</td> </tr> </tbody> </table> <p>The IAD adopts a risk-based auditing approach, guided by the International Professional Practices Framework (IPPF) issued by the IIA. They evaluated the adequacy and effectiveness of key controls in responding to risks within the organisation’s governance, operations and information systems, in terms of:</p>	Qualification Category	Percentage of total auditors	Professional Qualification (CPA, CIA, ACCA, CIMA, etc)	35%	Post Graduate Degree (MBA, MA, etc)	20%	Bachelor’s Degree	40%	Diploma Level	5%
Qualification Category	Percentage of total auditors											
Professional Qualification (CPA, CIA, ACCA, CIMA, etc)	35%											
Post Graduate Degree (MBA, MA, etc)	20%											
Bachelor’s Degree	40%											
Diploma Level	5%											

	<ul style="list-style-type: none"> <li>• reliability and integrity of financial and operational information;</li> <li>• effectiveness and efficiency of operations;</li> <li>• safeguarding of assets;</li> <li>• exposure to committed and contingent liabilities; and</li> <li>• compliance with relevant laws, regulations and contractual obligations.</li> </ul>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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 Company places great importance in ensuring the highest standards of transparency and accountability in its communication with investors, analysts and the public and has a dedicated Investor Relations team that handles analysts briefing, communicates with key institutional investors and answers queries from shareholders.</p> <p>Timely announcements and disclosures are made to Bursa Malaysia Securities Berhad, which include quarterly financial results, as well as relevant particulars of sizeable contract awards, changes in the composition of the Group and any other material information that may affect investors' decision making. The Group and Company's full year audited financial results are released within two (2) months after the financial year end. A comprehensive annual report is released within four (4) months after the financial year end.</p> <p>The Company conducts regular dialogues with financial analysts. At least two (2) scheduled Company Briefings are held each year, usually coinciding with the release of the Group's second and final quarter results, to explain the results achieved as well as immediate and long term strategies, along with their implications.</p> <p>The Company also participates in several institutional investor forums both locally and outside Malaysia. The summary of the Group's investor relations activities during the FY2024 and additional corporate information and/or disclosures of the Group are available for reference at <a href="http://www.ijm.com">www.ijm.com</a>.</p> <p>Any information that may be regarded as material or deemed price sensitive would not be given to or shared with any single shareholder or shareholder group on a selective basis except to the extent of their representation on the Board.</p> <p>The Group has established a comprehensive website at <a href="http://www.ijm.com">www.ijm.com</a>, which includes a dedicated section on Investor Relations, to support its communication with the investment community. To better serve stakeholders of the Group, an avenue is provided on the website (under</p>

	<p>“Investor Centre” page) for stakeholders to suggest improvements to the Group via email: <a href="mailto:ijmir@ijm.com">ijmir@ijm.com</a>.</p> <p>Investor queries pertaining to financial performance or company developments may be directed to the Chief Sustainability &amp; Investor Relations Officer of IJM Corporation Berhad, Mr Shane Guha Thakurta (Tel : +603-79858041, Fax : +603-79529388, E-mail : <a href="mailto:shane@ijm.com">shane@ijm.com</a>), whereas shareholder and company related queries may be referred to the Company Secretary, Ms Ng Yoke Kian (Tel : +603-79858131, E-mail : <a href="mailto:csa@ijm.com">csa@ijm.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

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>	:	The Board is of the view that the current reporting in the Annual Report 2024 has provided the financial and non-financial information in a comprehensive overview to the shareholders and stakeholders. As such, the Board would keep in abeyance of the need to adopt the International Integrated Reporting Framework until a time to be determined later.	
		The comprehensive financial and non-financial information in the Annual Report, including Corporate Governance Report and Sustainability Statement, has provided adequate and user-friendly information to the stakeholders.	
<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 consider adopting the integrated reporting at an appropriate time in the future.	
<b>Timeframe</b>	:	Others	To be determined

**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>The notice of the 39<sup>th</sup> Annual General Meeting (“AGM”) and the notification of the publication of annual report for 2023 on the website of the Company were sent out to the shareholders on 31 July 2023, that is at least 28 days before the date of the AGM on 29 August 2023. The notice of AGM was also made available on the website of the Company.</p> <p>The relevant details for the resolutions proposed, such as re-election of Directors, Directors’ fees and benefits, and share buy-back authority, are provided in the notice of AGM to enable shareholders to make informed decisions in exercising their voting rights.</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 13.2

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>All Directors had attended the 39<sup>th</sup> Annual General Meeting (“AGM”) held on 29 August 2023. At the AGM, a presentation was given to shareholders by the Chief Executive Officer &amp; Managing Director (CEO&amp;MD) to explain the Group’s strategy, performance and major developments, including the responses to questions raised by the Minority Shareholders Watch Group (“MSWG”) in relation to the operational and financial matters of the Group, which were submitted by MSWG prior to the AGM. The Board encourages shareholders to actively participate in the question-and-answer sessions at all General Meetings.</p> <p>The extract of minutes of General Meetings (including the list of attending Directors, pertinent questions raised by shareholders and the respective responses, and outcome of the voting results) are made available to the shareholders and public for reference at <a href="http://www.ijm.com">www.ijm.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 13.3

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 39<sup>th</sup> Annual General Meeting (“AGM”) of the Company was held virtually on 29 August 2023 through live streaming from a broadcast venue via an online meeting platform known as TIIH Online provided by the poll administrator, Tricor Investor &amp; Issuing House Services Sdn Bhd (“Tricor”). The shareholders and proxies participated and voted remotely at the 39<sup>th</sup> AGM.</p> <p>In terms of the security and functionality of TIIH Online, the Information System Department of the Company had conducted a setup inspection together with Tricor to ensure the system meets the required standards and quality. The scope of work for the setup inspection included the security posture assessment, testing of login and password as well as ensuring internet traffic performance. In addition, the TIIH Online is hosted on a secure cloud platform and the data centre is ISO27001 certified.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: To ensure the orderly conduct of the Annual General Meeting ("AGM"), the Chairman had conducted the 39 <sup>th</sup> AGM in the following manner:-  (1) in respect of the audited financial statements for FY2023, the Chief Executive Officer & Managing Director ("CEO&MD") was requested to present to the shareholders a brief overview of the performance of the Group in FY2023 and the outlook for our business going forward;  (2) the CEO&MD had then answered all questions relating to the audited financial statements which were received prior to the AGM, including the questions raised by the Minority Shareholders Watch Group (MSWG) in relation to the operational and financial matters;  (3) shareholders were invited to raise any questions during the AGM using the query box until the end of the AGM; the Chairman together with the CEO&MD and the Chief Financial officer responded to all the questions raised at the meeting after tabling all the resolutions of the AGM prior to the commencement of voting;  (4) the question-and-answer session was held for about 30 minutes during which the Chairman and the CEO&MD were fully engaged in responding to those questions received via the query box from the shareholders or proxies; and  (5) all pertinent questions and their answers have been made available on the Company's website together with the Minutes of the 39 <sup>th</sup> AGM.

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

## Intended Outcome

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

## Practice 13.5

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 39<sup>th</sup> Annual General Meeting (“AGM”) of the Company was held virtually on 29 August 2023 through live streaming from a broadcast venue. The shareholders and proxies participated and voted remotely at the 39<sup>th</sup> AGM.</p> <p>Prior to the 39<sup>th</sup> AGM, an Administrative Guide was issued together with the Notice of 39<sup>th</sup> AGM to the shareholders to provide guidance on the process for registration of participation in AGM, appointment of proxies, submission of questions to the Board of Directors prior to and during the AGM and poll voting.</p> <p>All pertinent questions from shareholders and proxies submitted via the online platform before and during the 39<sup>th</sup> AGM, including questions posed by Minority Shareholders Watch Group (MSWG) were made visible to all meeting participants and answered during the 39<sup>th</sup> AGM. These pertinent questions and their answers have been made available on the Company’s website together with the Minutes of the 39<sup>th</sup> AGM.</p> <p>The Company adopted online remote voting for the conduct of poll on all resolutions. The polling process was conducted via TIIH Online where shareholders were allowed to submit their votes within a stipulated time. A video guide on the online remote voting process was shown before the voting commenced and the meeting participants were also briefed on the voting procedures by the poll administrator prior to the poll voting. Upon completion of voting, the poll results were verified and announced by the independent scrutineers.</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**

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 minutes of the 39 <sup>th</sup> Annual General Meeting (“AGM”) held on 29 August 2023 together with the pertinent questions raised and answered at the AGM were made available on the Company’s website at <a href="http://www.ijm.com">www.ijm.com</a> no later than 30 business days after the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**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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