

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1589
COMPANY NAME : ISKANDAR WATERFRONT CITY BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of the Company is responsible for the overall corporate governance ("CG") of the Group, including charting the strategic direction of the Company, safeguarding stakeholders' interests and enhancing shareholder value. All directors owe fiduciary duties to the Group and must exercise reasonable care, skill and diligence to ensure the proper management of the entity, including maximizing long-term financial returns. The Board is responsible for ensuring that the Group are managed to achieve this result.</p> <p>All Board members are expected to uphold the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities by assuming its principal responsibilities. To assist in the discharge its stewardship role, the Board has in place the Board Charter and has established Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Tender Approval Committee to examine specific issues within their respective terms of reference.</p> <p>All Board members are responsible for maintaining a high level of good CG. The Board has delegated to the Executive Vice Chairman ("EVC"), the day-to-day management of the Group, supported by the Chief Executive Officer ("CEO") and/or Executive Director and a team of experienced Senior Management. EVC has overall responsibility for the operational and business units, organisational effectiveness, implementation of Board policies, directive, strategies and decision. He is responsible for the executive function of the Group's business and leading the Management in implementing decisions and pursuing corporate objectives.</p> <p>The roles and responsibilities of the Board are clearly defined in the Board Charter as follows:</p>

	<ul style="list-style-type: none"> • reviewing and adopting a strategic plan for the Group; • overseeing the conduct of the Group’s business; • identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures; • management succession planning; • overseeing the development and implementation of shareholder communications policy for the Group; and • reviewing the adequacy and the integrity of the management information and internal controls system of the Group
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The role of Chairman is to ensure that the Board functions effectively and undertake activities as highlighted in the Board Charter which is available on the Company's website. The Chairman is primarily responsible for:</p> <ul style="list-style-type: none"> • conduct of Board meetings; • ensure that all relevant issues for the effective running of the Group's business are on the agenda; • ensure that quality information to facilitate decision-making is delivered to Board members on a timely basis; • encourage all Directors to play an active role in Board activities; • chair general meetings of shareholders; and • liaise with EVC, CEO and the Company Secretaries on the agenda for Board meetings. 	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter has outlined and included that the position of Chairman, EVC and CEO are distinctly and separately held by different individuals, with a clear division of functions and responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making.</p> <p>The Chairman of the Board is Dato' Hj. Ayub bin Mion, an Independent Non-Executive Chairman, whereas Tan Sri Dato' Lim Kang Hoo is acting as EVC, assisted by Mr Wong Khai Shiuan as the Executive Director cum CEO of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	With effect from 1 December 2021, the Chairman of the Board is not a member of the Audit Committee, Nomination Committee and Remuneration Committee.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company Secretaries - Ms Yong May Li, Ms Lim Aik Yong and Ms Wong Chee Yin are all qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The Company Secretaries are the central source of information and advice to the Board and its Committees on the issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group. The Company Secretaries have attended various trainings during the year, in order to be kept updated on the laws, rules and regulations and also to maintain their competency to provide the necessary assistance to the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and for effective discharge of the Board's responsibilities.</p> <p>Timely dissemination of meeting agenda, including the relevant Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings to give effect to Board decisions and to deal with matters arising from such meetings, is observed. The notice of the Board meeting is circulated to Board Members at least 7 days before the meeting and the Company has endeavoured to circulate the agenda and Board Papers at least 3 days before the meeting. Board members are furnished with pertinent explanation and information on relevant issues and recommendations by Management. The issues are then deliberated and discussed thoroughly by the Board before a decision is made.</p> <p>In addition, Board members are updated on the Group's activities and its operations on a regular basis. All Directors have access to information of the Company on a timely basis in an appropriate manner and quality necessary to enable them to discharge their duties and responsibilities.</p> <p>Directors are provided with the contact details of key management personnel to facilitate direct and independent access to Management. Key management personnel will provide clarification or any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p> <p>The deliberation and decision made during Board and the Committees' meetings are duly captured and recorded in the minutes and circulated to the Board in timely manner.</p>
Explanation for departure	:	

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

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is aware of the need to clearly demarcate the duties and responsibilities of the Board, Board Committees and Management, including the limits of authority accorded, in order to provide clarity and guidance to Directors and Management. The Board has in place a Board Charter, setting out, inter-alia, the roles of the Board, Board Committees, Executive and Non-Executive Directors and Management. The Charter serves as a reference point for Board activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company. The Board shall update the Charter as and when need arises to reflect changes to the Company's policies, procedures as well as to comply with the latest regulations and legislations.</p> <p>The full Charter is available on the Company's website at www.iwcity.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	The Board has formulated ethical standards through a code of conduct for the Directors, senior management and all employees and will ensure its compliance. The Code of Conduct includes principles related to conflict of interest, dealings with confidential information, to ensure safety, security and adherence to Company's rules, encourage the reporting of unlawful or unethical behaviour, dealing with suppliers, customers and third parties. The Code of Conduct is available at the Company's website at www.iwcity.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Whistle Blowing Policy has been established and its procedures document, which outlines when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of regulatory requirements involving employees, Management or Directors in the Group, is available on the Company’s website at www.iwcity.com.my.</p> <p>For the financial year under review, the Board is unaware of any activities related to whistle blowing and no communication received from the whistleblowing process.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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

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

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

Application	: Applied
Explanation on application of the practice	<p>: The Board of Directors carry on their role as a check and balance mechanism in overseeing the sustainability performance of the Group and to provide guidance to the Group towards maintaining sustainability as part of the corporate culture in its day-to-day operations. The Board has incorporated sustainability as an on-going agenda and strategy.</p> <p>The Board has established the sustainability governance structure as below:</p> <div style="text-align: center;"> <pre> graph BT SWG["Sustainability Working Group (SWG) Consists of various Manager and HODs"] --> CEO["Executive Vice Chairman / Chief Executive Officer"] CEO --> ACM["Audit Committee and Risk Management Committee"] ACM --> Board["Board of Directors"] </pre> </div> <p>In order to enhance efficiency, rather than creating a separate committee for sustainability, the Audit Committee and Risk Management Committee have jointly rendered and continue to render their support to the Board which include the following:</p> <ul style="list-style-type: none"> • Advising and recommending to the Board on its business strategies in the area of sustainability; • Monitoring the implementation of sustainability strategies as approved by the Board;

	<ul style="list-style-type: none"> • Recommending sustainability-related policies for adoption to the Board, and monitoring the implementation of the policies; • Recommending approval of material sustainability matters to the Board; • Overseeing the overall management of stakeholder engagement, including ensuring that grievance mechanisms are in place; • Overseeing the management of sustainability matters, with particular focus on matters material to the organisation; and • Overseeing the preparation of sustainability disclosures as required by laws and/or rules, and recommending to the Board for approval. <p>Nonetheless, embedding sustainability as part of IWCity’s corporate culture will only be possible with strong leadership and hence it is our EVC and CEO who have stepped up to the task of incorporating sustainability into our business strategies and business decisions. Playing a supporting and execution role will be the SWG comprising of various Heads of Departments and Managers. The SWG is also responsible in updating the EVC and CEO on the sustainability-related programmes and initiatives undertaken throughout the year.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is accountable and responsible to achieve the expectations and take care of interests of its various stakeholders. The Sustainability Working Group has in 2021 identified and ascertained the key stakeholders, that the Group that directly or indirectly impacts, which are as follows:</p> <ul style="list-style-type: none"> • Economic • Environmental • Employees and Work places • Community • Other Stakeholders <p>The above are identified by the SWG as matters which reflect IWCity's significant economic, environmental and social impacts.</p> <p>The material sustainability matters were identified and agreed upon by the Board. The detailed material sustainable objectives were set out in the Annual Report under page 46 to 51.</p> <p>The Company has in 2021 undertaken various approaches toward its stakeholders and these are reported under page 50 to 51 of the Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>In 2021, the Board has via the SWG, carried out its materiality assessment process which identified and assessed the material sustainability matters for Group. The potential sustainability matters /risks which are identified by the SWG that are relevant to the Company's business and agreed upon by the Board with the material sustainable objectives formulated.</p> <p>The SWG has identified matters relating to Economic, Environmental, Employees and Work places, Community and Other Stakeholders which reflect the Company's significant economic, environmental and social impacts.</p> <p>The Management has put in place necessary plans to mitigate or control risks within the acceptable levels defined by the risk tolerance limit approved by the Board. There were regular discussions of the SWG with the Management, should there be any major risks or matters come to the attention of SWG. Also, all the material risks will be highlighted and reported to the Audit Committee and Risk Management Committee which then bring to the Board for attention and advice.</p> <p>The Company and Group business activities has no climate-related risk bearing so far. But, SWG recognised environmental matter being one of the key business impact and has put place the applicable approach and action as follows:</p> <ul style="list-style-type: none">• To achieve high standards in environmental impact management;• To protect, conserve and enhance the surrounding environment and natural resources;• To take pro-active guidelines and constantly studying, implementing guidelines and executing initiatives enhance the surrounding environment, reforestation, reduce and minimise and where possible, adverse impact towards the environment;• To commit to keep our environment clean for the benefit the community and future generations; and• To ensure efficient use of water and energy

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

Intended Outcome

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board recognises the importance of sustainability in all its business operation and take cognizance that sustainability as one of the criteria in the performance evaluation all employees including its board members.	
		The Board will carry out a detailed study and assessment in developing the criteria for the performance evaluations of the Board and the Management to address the material sustainability risks and opportunities.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	To implement the performance evaluation of the board and senior management in addressing the company’s material sustainability risks and opportunities	
Timeframe	:	Within one year	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Board has entrusted the EVC and CEO who have stepped up to the task of incorporating sustainability into our business strategies and business decisions. The SWG comprising of various Heads of Departments and Managers whom plays as a supporting and execution role and responsible in updating the EVC and CEO on the sustainability-related programmes and initiatives undertaken throughout the year.

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee has during year 2021 evaluated on:-</p> <ul style="list-style-type: none">i. The effectiveness of each director's ability to contribute to the effectiveness of the Board and the relevant Board committee and to provide necessary feedback to directors in respect of their performance;ii. The effectiveness of the Board Committees'; andiii. The effectiveness of the Board as a whole. <p>Taking into consideration the assessment, the Committee also responsible to assist the Board of Directors in determining the experiences, skills and other qualities to ensure the Board composition is adequate. In 2021, in view of the recommendation made under Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), as well as the promotion of the Good Governance, the NC reviewed the Composition of the Board and its Committees and had adopted a change to the Composition of the Board Committees.</p> <p>The NC had in 2021, reviewed and evaluated the annual re-election of the Directors based upon their contribution and performance. With the satisfactions of the Directors subject to re-election, the NC has proposed to the Board for the re-election of the Directors be put forth for shareholders' approval. The Senior Independent Director of the Company who is due for re-election this year, is not seeking for election this year. Hence, he shall retain his office until the close of the forthcoming Annual General Meeting ("AGM").</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board currently comprises nine (9) members, three (3) of whom are Executive Directors, one (1) Non-Independent Non-Executive Director, and five (5) Independent Non-Executive Directors. There is also one (1) Alternate Director.</p> <p>At least half of the Board is made up by Independent Directors and this fulfils the requirements as set out under the Listing Requirements of Bursa Malaysia, which stipulates that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Mr Bernard Hilary Lawrence ("Mr Bernard"), the Independent Non-Executive Director of the Company has served the Board for more than 9 years. The Company has since year 2019, put forward the resolution at its AGM, to seek approval from the shareholders for Mr Bernard to continue to serve as Independent Director for the Company.</p> <p>Notwithstanding his long tenure in office, the Board has assessed Mr Bernard's independence is of the view that his independence has not been impaired or compromised. Additionally, the Board is of the view that the independence of Director cannot be assessed only based on the length of service, but that the true independence emanates from intellectual honesty, manifested through a genuine commitment to serve the best interests of the Company. The Board has then proposed the continuation of Mr Bernard as Independent Director given his expertise in corporate, legal and finance matters have furnished significant contribution to the effectiveness of the Board and the Board Committees as a whole.</p> <p>The Board has resolved that Mr Bernard, who has served in the Company cumulatively exceeded 9 years of services, to seek for shareholders' approval for his continuation as Independent Non-Executive Director of the Company at the forthcoming 53rd AGM. In addition, the Company will seek shareholders' approval through a two-tier voting process in compliance with MCCG 2021 , for Mr Bernard Hilary Lawrence's continuation as Independent Non-Executive Director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 5.4 - Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of diversity, whether in terms of age, gender, ethnicity or religion, skills, experience or cultural background. The Board has in place a Diversity Policy, setting out strategic intent for the Board diversity which is the attraction, retention and development of a diverse team of skilled people who are increasingly engaged towards the delivering of the Group's strategy.</p> <p>The Nomination Committee ("NC"), established by the Board is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Director should bring to the Board. It is also tasked to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director.</p> <p>The NC is responsible, by utilizing independent sources to identify suitably qualified candidates (based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender), and propose such candidates as Senior Management and to assess such senior management on an ongoing basis.</p> <p>The role of NC is detailed in its Terms of Reference, which is available on the Company's website at www.iwcity.com.my</p> <p>There was one additional independent non-executive director appointed to the Board but there were no new appointments to the Senior Management during the financial year under review.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>It is the responsibility of the NC by utilizing independent sources to identify suitably qualified candidates and propose such candidates as new nominees to the Board and to assess directors on an ongoing basis.</p> <p>The identification of candidates for appointment of directors is guided by the Terms of Reference of the NC.</p> <p>During the financial year under review, there was one additional independent non-executive director being appointed. In addition, this appointment represents a meaningful breakthrough for the Board, as the Company welcomes a female director – Ms Kang Hui Ling, on Board after endeavouring to source for a suitable female director.</p> <p>The newly appointed director, was via the recommendation of the management and upon due review of the NC. NC is of the view that the recommended candidate - Ms Kang possesses the necessary skills and experience to contribute towards achieving the Company's goals and objectives and will increase the effectiveness of the Board of Directors in exercising its functions.</p> <p>The Committee is satisfied with the current composition of the Board and with the right mix of qualifications, skills and experience for the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

Practice 5.7

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

Application	:	Applied	
Explanation on application of the practice	:	The performance of the retiring directors is assessed by the NC and Board before recommendation is made to the shareholders for consideration. For the appointment of the independent director, the NC also assess their relationship with the executives that might influence, or reasonably be perceived to influence their capacity to bring an independent judgement and to act in the best interests of the Company. The Board has provided a statement to support the reappointment of the directors and the reasons in the Company's Notice of AGM to be held on 30 June 2022.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Mr Bernard Hilary Lawrence, an Independent Non-Executive Director, who leads the Committee, to perform its duties and responsibilities as specified in the Terms of Reference of the NC, which is available on the Company's website at www.iwcity.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board recognises the importance of the board gender diversity and takes cognisance of the recommendation of the MCCG 2021 to have female directors.	
		The Board currently has one (1) female director among its nine (9) members, namely Ms Kang Hui Ling.	
		The Board is supportive to the gender diversity policy and mindful that female director is equally capable to add value to the Board. However, the Board considers that it is difficult to set meaningful measurable objectives for achieving gender diversity.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The board is endeavouring to have more female board members as and when there are suitable and qualified candidates are identified, in the future.	
Timeframe	:	Others	

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supportive to the gender diversity policy and mindful that female director is equally capable to add value to the Board.</p> <p>A Board diversity policy has been formalised to ensure that the Board comprises Directors of the required mix of skills and experience to assist the Company in achieving its objectives. However, insofar as Board diversity is concerned, the Board does not intend to set out any specific policy on targets for women Director, age or ethnicity composition in the Board. The Board works to ensure that there is no discrimination on the basis of, but not limited to, ethnicity, race, age, gender, nationality, political affiliation, religious affiliations, sexual orientation, marital status, education, physical ability or geographic region.</p> <p>The Board believes that the on-boarding process of Directors should not be based on any gender, age or ethnic discrimination and instead evaluation of suitable candidates should be solely based on the candidates' competency, character, time availability, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as directors and/or Senior Management, as the case may be.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The NC is responsible to carry out the annual assessment of the effectiveness of the Board as a whole as well as the committees of the Board. The annual assessment comprises of Board Assessment by Individual Directors in relation to their performance and contribution towards meeting the needs of the Company. The assessments include Self and Peer Assessment and an assessment of independence for an Independent Director. All assessments and evaluations carried out by the Committee in the discharge of all its functions has been properly documented. In respect of the assessment for the financial year ended 31 December 2021, the Board was satisfied with the results that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director is satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills were adequate.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	The remuneration of the Directors and Senior Management is reviewed by the Remuneration Committee ("RC") annually. The determination of the remuneration of Directors and Senior Management is guided by the Terms of Reference of the Remuneration Committee, which is available on the Company's website at www.iwcity.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The RC, established by the Board comprises of all Independent Non-Executive Directors.</p> <p>The RC assists the Board in recommending the remuneration of Directors and Senior Management. The RC meets as and when required to review Directors' remuneration. The Board has defined its remuneration policy in its Board Charter that all Executive Directors are remunerated based on the Group's performance whilst the remuneration of the non-executive directors is determined in accordance with their contribution and the level of responsibilities assumed.</p> <p>The responsibilities of the RC have been formalised into the Terms of Reference which is available on the Company's website at www.iwcity.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments are set out as on page 29 of the Annual Report 2021 and disclosed as per table below:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato' Lim Kang Hoo	Executive Director	36.0	2.0	0	0	0	0	38.0	36.0	2.0	0	0	0	0	38.0
2	Datuk Lim Keng Guan	Executive Director	36.0	2.0	0	0	0	0	38.0	36.0	2.0	0	0	0	0	38.0
3	Wong Khai Shiuan	Executive Director	36.0	6.5	342.0	0	33.8	41.0	459.3	36.0	6.5	342	0	33.8	41	459.3
4	Dato' Ayub bin Mion	Independent Director	72.0	5.5	0	0	0	0	77.5	72.0	5.5	0	0	0	0	77.5
5	Khoo Boon Hoo	Independent Director	47.0	6.0	0	0	0	0	53.0	47.0	6.0	0	0	0	0	53.0
6	Lim Foo Seng	Independent Director	37.0	5.5	0	0	0	0	42.5	37.0	5.5	0	0	0	0	42.5
7	Bernard Hilary Lawrence	Independent Director	36.0	4.5	0	0	0	0	40.5	36.0	4.5	0	0	0	0	40.5
8	Tuan Hj. Lukman bin Abu Jari @ Abu Bakar	Non-Executive Non-Independent Director	0	0.5	0	0	0	0	0.5	0	0.5	0	0	0	0	0.5
9	Kang Hui Ling	Independent Director	3.0	0	0	0	0	0	3.0	3.0	0	0	0	0	0	3.0
10	Dato' Hj. Mohd Noorazam bin Dato' Hj. Osman	Non-Executive Non-Independent Director	22.9	1.0	0	0	0	0	23.9	22.9	1.0	0	0	0	0	23.9
11	Datin Paduka Hjh Aminah binti Hashim		0	0	0	0	0	0	0	14.5	0.5	0	0	0	0	15.0
12	Dato' Hj Md Zahari bin Md Zin		0	0	0	0	0	0	0	36.0	0.5	0	0	0	0	36.5

Intended Outcome

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

Practice 8.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the view that the disclosure of the top five (5) key management's remuneration will be counter productive due to the competitive environment for talent in the industry in which the Group operates in.	
		As alternative practice, the Group has benchmarked the remuneration of Key Senior Management to the industry in which it operates in and ensures that their remuneration commensurate with the scope of work, responsibilities as well as their performance.	
		The Key Senior Management's remuneration as disclosed in the Annual Report 2021 in the financial statements section is sufficient, complies with the Malaysian Financial Reporting Standards and achieves the objective that stakeholders are able to assess whether the overall remuneration of Directors and Key Senior Management commensurate the Group's performance.	
		Not Applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	As stated above	
Timeframe	:	Others	Not applicable

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

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit Committee is chaired by Mr Lim Foo Seng, an Independent Non-Executive Director of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The policy which is included in the Terms of Reference of the Audit Committee ("AC") requires that no former audit partner shall be appointed as a member of AC unless he/she has served a cooling off period of at least three years before his/her appointment as a member of the AC. Such Terms of Reference of AC is available on the Company's website at www.iwcity.com.my.</p> <p>None of the AC members were former audit partner of the Company's external auditor, for the financial year under review.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is required by its Terms of Reference to assess and monitor the performance, suitability, objectivity and independence of the external auditor annually.</p> <p>During the financial year under review, the AC met up with the external auditors, Ernst & Young PLT ("EA"), once in the absence of the Management. The external auditors had provided a confirmation to the Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The AC has monitored and reviewed the performance and independence of the external auditors and is satisfied that the EA has been independent throughout the conduct of the audit process and the audit services rendered have met the expectation of the AC.</p> <p>Pursuant to the assessment of the EA, the Committee is satisfied with the suitability and independence of the EA and has recommended their re-appointment for the financial year ending 31 December 2022.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All the 3 members of the AC are independent directors.

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC Chairman is a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants. The remaining members of AC are also fellow of the Institute of Certified Public Accountants of Singapore or Malaysia.</p> <p>All members of the AC are able to understand matters and issues within the capacity of the AC. The committee members possess vast experience, knowledge and understanding on the business and the industry the company operates in i.e. trading, property development, construction etc. Thus, enable the committee to discharge its duties effectively.</p> <p>During the financial year, the Group organised an in-house training course entitled "Corporate Briefing on Sustainability and Environment, Social and Governance (ESG): What Matters to You" for all the Directors and Senior Management. The AC members had also attended the said training. In addition, the AC members also attended other trainings to further enhance their skills and knowledge in discharging their role.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its overall responsibility for the Group's system of risk management and internal control to safeguard shareholders' investment and the Group's assets as well as reviewing its adequacy and operating effectiveness in meeting the Group's objectives. The Board has established a risk management process to identify, evaluate, control, report and monitor significant risks faced by the Group. Also, the Group has an established organizational structure with clearly defined lines of responsibilities and appropriate levels of delegation and authority to ensure the internal control system is observed.</p> <p>The Board has delegated its role in the review process to Risk Management Committee. However, the Board as a whole remains responsible for all the actions of the committee with regard to the execution of the delegated role and this includes the outcome of the review and disclosure on key risks and internal control.</p> <p>The Statement on Risk Management and Internal Control which has been reviewed by the EA is set out on page 40 to 43 of the Annual Report detailing the risk management and internal control framework of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The features of the risk management and internal control framework, are outlined in the Statement on Risk Management and Internal Control as set out on page 40 to 42 of the Annual Report 2021. The Board has received reasonable assurance from the EVC and the CEO that the Group's risk management and internal control system has operated adequately and effectively, in all material aspects, for the financial year under review.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	Risk Management Committee consists of all independent directors.

Intended Outcome

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

Practice 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function is outsourced to an independent professional firm, which adopts the Internal Professional Practices Framework of the Institute of Internal Auditors, an international professional association of internal auditors, in carrying out internal audit assignments on the Group.</p> <p>During the financial year ended 31 December 2021, the AC reviewed the work of the internal audit function, its observations and recommendations to ensure that the AC obtained the necessary level of assurance with respect to the adequacy and operating effectiveness of the system of governance, risk management and internal control.</p> <p>Further information on the internal audit function are disclosed in the Statement on Risk Management and Internal Control set out on page 42 of the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.2

The board should disclose—

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function is outsourced to a professional services firm, Tricor Axcelasia Sdn Bhd ("Axcelasia"). The engagement Executive Director of the outsourced internal audit function is Ms Melissa Koay, who has diverse professional experience in internal audits, risk management and corporate governance advisory. She is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms Melissa Koay is also a Certified Internal Auditor.</p> <p>The number of staff deployed for the internal audit reviews was 4 staff per visit including the engagement Executive Director. The staff involved in the internal audit reviews possesses professional qualification and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia. The internal audit staffs on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>The internal audit was conducted using a risk-based approach and was guided by the International Professional Practice Framework ("IPPF").</p> <p>Further information on the internal audit function are disclosed in the Statement on Risk Management and Internal Control set out on page 42 of this Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of being transparent and accountable to the Company's shareholders and, as such, has availed various channels to maintain communication with them. The various channels are through the quarterly announcements on financial results to Bursa Malaysia, relevant announcements and circulars, annual report, media release, general meeting and Company's website.</p> <p>The general meeting is also an important platform for the shareholders to interact with the Board to seek clarifications on any issues and to gain better understanding of the Group's business affairs and performance, thereby enabling the shareholders to make informed decisions in valuing the Company's shares. At such meetings, the Board provides opportunity for the shareholders to raise questions pertaining to the Company's activities. Members of the Board, Senior Management and the external auditors are also present to answer questions raised during the meetings.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 12.2

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

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:	The Company does not fall under the category of “Large Companies”.	
		The Board is mindful to the application of integrated reporting based on a globally recognised framework and would consider to the adoption of such reporting in future.	
		Not applicable	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	As stated above.	
Timeframe	:	Others	

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The notice for the 52 nd AGM held on 30 June 2021, had be given to the shareholders on 31 May 2021, which is at least 28 days prior to the meeting.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>All directors including the Chairmen of the respective Board Committees, were in attendance and participated the 52nd AGM online via the Remote Participation and Voting Facilities (“RPV”) platform.</p> <p>The Board endeavours to provide clear and meaningful responses to questions posed to them by shareholders at the AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In the light of the COVID-19 pandemic, the 52nd AGM of the Company held on 30 June 2021 was conducted fully virtual through live streaming via RPV facilities platform. The RPV facilities platform enabled remote shareholders’ participation and online remote voting by leveraging on technology in accordance with Section 327(1) and (2) of the CA 2016 and Clause 53 (4)(b) of the Constitution of the Company. In addition, the Company appointed an independent scrutineer to verify the votes casted at the meeting.</p> <p>The Administrative Guide of the AGM including the procedures for RPV facilities were shared with the shareholders together with the despatch of the Notice of AGM. The Administrative Guide for the AGM has indicated clearly the registration steps which has cover as well as the privacy policy for the registration. Such registration process has also demonstrated good cyber hygiene, data privacy and security to prevent cyber threats.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: The Company had issued the Integrated Annual Report 2021 for its 52 nd AGM together with administrative guide which encompassed the guidance on the conduct of the virtual meeting, on 31 May 2021. The shareholders were allowed to submit their questions electronically through the online platform via typed text during live streaming of the AGM, and the shareholders had experienced real time interaction with the Board during the AGM. All the questions were addressed by the Chairman with the help of his fellow Board members and the Management of the Company, before the commencement of the poll voting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: In light of the coronavirus (COVID-19) outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of our Board of Directors, employees and shareholders, the AGM was held virtually and online remote voting using the Remote Participation and Voting Facilities ("RPV"). The shareholders were allowed to submit their questions electronically through the online platform via typed text during live streaming of the AGM, and the shareholders had experienced real time interaction with the Board during the AGM. All the questions were addressed by the Chairman with the help of his fellow Board members and the Management of the Company, before the commencement of the poll voting. Any unaddressed questions during the meeting due to time constrain, had also been answered via email subsequent to the meeting. The questions and answers were subsequently posted on the website of the Company.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Departure
Explanation on application of the practice	:	The Summary of AGM Minutes which summarised the agenda item and the decisions reached was uploaded to the website at www.iwcity.com.my .
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company will upload its 53 rd AGM's minutes which is to be held on 30 June 2022 within 30 business days.
Timeframe	:	Within one year

**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.

--