



Board Charter

Date: 22/2/2023

Innity Corporation Berhad

(Company No. 200701006554 (764555-D))

1.0 Purpose of the Board Charter

This Board Charter sets out the principles for the operation of the Board of Directors (“the Board”) of Innity Corporation Berhad (“the Company”) and its subsidiaries and associate companies (“the Group”) and describes the functions of the Board and those functions delegated to Management of the Company.

The Board collectively leads and is responsible for the success of the Company and the Group by providing entrepreneurial leadership and direction as well as supervision to the management. The Board is the ultimate decision making body.

This Board Charter incorporates the Principles and Practices of the Malaysian Code on Corporate Governance (“MCCG”), as considered appropriate, Ace Market Listing Requirements of Bursa Malaysia Securities Berhad (“AMLR”) on corporate governance, certain aspects of the Company’s Constitution and relevant portions of the Companies Act 2016 insofar as the duties and responsibilities of Directors are concerned. This Board Charter is established to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its committees. This Board Charter does not overrule or pre-empt the statutory requirements and other relevant statutes. This Board Charter shall form an integral part of each Director’s duties and responsibilities.

The Board Charter has been adopted by and is applicable to all Directors of the Company and, amongst other things, provides that all Directors must avoid conflicts of interest between their private financial activities while conducting their duties in the matter of the company’s business.

2.0 Authority

The Board derives its authority to act from the Memorandum and Articles of Association of the Company and the law and regulations governing companies in Malaysia.

3.0 Board Composition

3.1. Board Balance and Mix:

- a) The number of directors shall be not less than 2 but not more than 10 as set out in the Company’s Articles of Association.
- b) In accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that at least 2 directors or 1/3 of the board of directors of the Company, whichever is higher, are independent directors. If the number of directors of the Company is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

3.2. Diversity:

- a) The Board shall be of a size and composition with the benefit of diversity in perspectives, competencies, extensive experience, knowledge and skills to understand properly and deal with the current and emerging issues of the business of the Company and the Group. Thus, the Board acknowledges the importance to promote gender diversity by having female director on the Board.

- b) The Board shall take into account the diversity factors including ethnicity and age distribution of the Directors, to maintain a balanced Board composition. In this respect, the Board is committed to ensure sufficient diversity in its composition as set out in the Diversity Policy.

3.3. Tenure of Directors:

- a) Pursuant to the Company's Articles of Association, an election of directors takes place subsequent to their appointment each year where 1/3 of the directors or if their number is not 3 or a multiple of 3, then the number nearest to 1/3, shall retire by rotation from office and shall be eligible for re-election at each annual general meeting and that each director shall retire from office at least once in every 3 years and shall be eligible for re-election.
- b) The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire (unless they otherwise agree among themselves) be determined by lot.
- c) An Independent Director who has served 9 (nine) years as a Board member can only be re-appointed upon approval by the shareholders at the Annual General Meeting.

3.4. Company Secretary:

- a) The appointment and removal of the Company Secretary is a matter for the Board as a whole. The board recognises the fact that the Company Secretary should be suitable, qualified and capable of carrying out the duties required.

3.5. Board Committee:

- a) As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to certain Committees with each operating within it is clearly defined terms of reference. The Chairman of the various Committees will report to the Board on the outcome of the Committee meetings.
- b) The Board has established the following Committees to assist the Board in the execution of its duties:
 - Audit and Risk Management Committee ("ARMC")
 - Remuneration Committee ("RC")
 - Nomination Committee ("NC")
- c) The Chairman of the relevant Board Committees will report to the Board on the key issues deliberated by the Board Committees at the Board meetings.

3.6. The Board's Relationship with Shareholders:

- a) The Board will maintain an effective communications policy that enables both the Board and Management to communicate effectively with shareholders and the general public.

4.0 Appointments and Re-election

- 4.1 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the NC. It is the essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee.
- 4.2 The criteria for the recruitment or appointment (including re-election/ re-appointment) of Director is guided by fit and proper assessment by the NC based on the Terms of Reference of the NC.
- 4.3 A Director shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.
- 4.4 Annual assessment on the effectiveness of the Board, Board Committees and Individual Directors will be carried out with the objective to draw the attention of the Board key areas that need to be improved.
- 4.5 The Board shall provide a statement as to whether it supports the appointment or re-appointment of the director and the reasons.

5.0 Role And Responsibilities Of Board

5.1. Role of Board:

The functions of the Board are to:

- a) monitor the compliance with all relevant statutory and legal obligations.
- b) handle conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- c) review and set the Group's strategic plan and direction and ensure that resources are available to meet its objectives.
- d) supervise the operations of the Group to evaluate whether established targets are achieved.
- e) identify principal risks and ensure the implementation of appropriate systems to manage these risks.
- f) promote better investor relations and shareholder communications.
- g) ensure that the Group's core values, vision and mission and shareholders' interests are met.
- h) review the adequacy and the integrity of the Group's internal control systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- i) establish such committees, policies and procedures to effectively discharge the Board's roles and responsibilities.
- j) initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges as appropriate.
- k) ensure that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility.

5.2. Role of Chairman and Managing Director:

The roles of the Chairman and Managing Director are strictly separated.

The Chairman is responsible for:

- a) leadership of the Board.
- b) overseeing the effective discharge of the Board's supervisory role.
- c) scheduling regular and effective evaluations of the Board's performance.
- d) promoting constructive and respectful relations between Board members and between the Board and the Management.

The Managing Director is responsible for:

- a) strategic business direction, plans and policies of the Group.
- b) the efficient and effective operation of the Group.
- c) day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board.
- d) bringing material matters to the attention of the Board in an accurate and timely manner.

5.3. Role of Committees:

The roles and responsibilities of ARMC, RC and NC are set out in the terms and reference of each Committee.

6.0 Disqualification or vacation of office:

The office of Directors shall become vacant if the Director:

- (a) becomes bankrupt;
- (b) has been convicted of an offence involving bribery, fraud or dishonesty;
- (c) becomes disqualified from being a Director by reason of any other made under the Companies Act 2016 or has been convicted of an offence under Sections 213, 217, 218, 228 and 539 of the Companies Act 2016;
- (d) becomes of unsound mind;
- (e) resigns from office by notice in writing given to the Company; or
- (f) removed from office by resolution of the Company in general meeting of which special notice has been given.

7.0 Board Processes

7.1. Board Meeting and Frequency:

- a) Meetings will be conducted on a quarterly basis. The Company Secretary will prepare and circulate notices and timetables for all required to attend the meeting.
- b) The quorum of Board meeting is 2 members, present in person including virtual dial in.
- c) Proceedings of all meetings are minuted and signed by the Chairman of the meeting. Minutes of all Board meetings are circulated to the directors and approved by the Board at the subsequent

meeting. Directors' Circular Resolutions approved by majority of the directors are as valid and effective as if the resolutions had been passed at the meeting of the directors. The resolutions are to be recorded in the Company's minutes book kept by the Company Secretary.

- d) Actions on all matters arising from any meeting are reported at the following meeting.
- e) The Board may invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board Meeting at the discretion of the Board

7.2. Notices and Meeting Papers:

- a) The notice of Board meetings shall be issued at least seven (7) days prior to the meeting.
- b) As a best practice and allow ample time for Directors to study and evaluate the matters to be discussed and subsequently make effective decisions. The Board paper and agenda items shall be circulated at least seven (7) days prior to the meeting.
- c) Minutes prepared following the Board meeting will be circulated in draft form. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. Issues discussed in arriving at each Board's decision shall be recorded.

7.3. Access to Information:

- a) The Directors have unrestricted access to the advice and services of the Company Secretary and Senior Management staff in the Group and may obtain independent professional advice at the Company's expense in the furtherance of their duties.
- b) The Directors acknowledge that confidential information received in the course of exercise of the Board duties remains the property of the Group, whether it relates to the Group or another entity. It will not be disclosed unless either the Chairman of the Board has so authorized in writing or disclosure is required by law.

7.4. Directors' Training:

- a) The Directors are regularly updated by the Company Secretaries on new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.
- b) To improve their skills, Directors are encouraged to attend the relevant training at the company's expense.

8.0 Corporate Governance

8.1 The Board upholds the three (3) principles of good corporate governance, which are:

- (a) board leadership and effectiveness
- (b) effective audit and risk management; and
- (c) integrity in corporate reporting and meaningful relationship with stakeholders.

- 8.2 The Board is collectively responsible for the long-term success of a Company and the delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board sets the strategic direction of the Group while exercising oversight on management.
- 8.3 The Board also oversees that the risks associated in achieving its objectives are mitigated and managed.
- 8.4 The Board ensure that the Group's sustainability strategies, priorities and targets are communicated to its internal and external stakeholders.

9.0 Accountability and Audit

9.1 Financial Reporting

- a) Each quarter, the Board shall receive a detailed performance review in the form of Quarterly Interim Financial Report from the Chief Financial Officer prior to Board Meeting is being held and shall review and deliberate the Quarterly Financial Results at the Board Meeting. The Chairman shall regularly communicate with the Executive Directors to review key issues and performance trends.
- b) The Board aims to present a clear and balanced assessment of the Group's financial position and future prospects that extends to the annual and quarterly reports.
- c) The Board ensures that the annual and interim financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.

9.2 Non-Financial Reporting

- a) The Board reviews the strategic plan, approves the annual budget and monitors the Group's performance against them. Initiatives have included disciplined growth strategies, capital management, cost efficiencies and other aspects of operational improvement programs.

9.3 Company Auditors

- a) The Board has established formal and transparent arrangement for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company auditors through the ARMC.
- b) The ARMC also keeps under review the scope and results of the audit and the independence and objectivity of the Company auditors. The ARMC ensures that the Company auditors do not supply a substantial volume of non-audit services to the Company and the Group and any practice that departs from this has to be disclosed in the Audit and Risk Management Committee Report.

9.4 Internal Controls and Risk Management

- a) The Board has overall responsibility maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.

- b) The Group has a well-resourced internal audit function, which critically reviews all aspects of the Group's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The outsourced internal auditors has direct access to the Board through the Chairman of the ARMC.
- c) The Board ensures the system of internal controls is reviewed on a regular basis by the ARMC.
- d) The ARMC receives reports regarding the outcome of such reviews on a regular basis.

10.0 The Board's Relationship with Shareholders and Stakeholders

- 10.1 The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.
- 10.2 It is the role of the Board to ensure that the general meetings of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.
- 10.3 The Board will focus its efforts on the following best practices to enhance the effectiveness of the general meeting:
 - (a) ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
 - (b) for election and re-election of Directors, ensures that the notice of meeting state which Directors are standing for election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in board committee and the fact that a particular Director is independent;
 - (c) ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately;
 - (e) 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 will be made visible to all meeting participants during the meeting itself.
- 10.4 The Board shall appoint an experienced senior personnel (not necessary a member of the Board) and/or an external experienced communications consultant company to represent the Company in investor relations. The Board also observes the disclosure and communication guidelines for this purpose.
- 10.5 The Communication with shareholders, stakeholders and the general public can be achieved through:
 - (a) establishing an investor relations function;
 - (b) conducting engagement forums;
 - (c) organising investor, analyst and media briefings; and

- (d) use of electronic means such as website, social media platforms
- 10.6 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group and adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- 10.7 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders and analysts with an overview of the Group's performance and operations in addition to the various announcements made during the year.
- 10.8 The Company's website, www.innity.com provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

11.0 Induction Process

The objective of the induction process is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the marketplace pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

12.0 Directors' External Commitments and Conflict of Interest

- a) The Company's Constitution stipulate that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain himself from voting in any matter arising thereof.
- b) Should there be an actual, potential or perceived conflict of interest between the Company/Group or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company, the Director involved shall make full disclosure and act honestly in the best interest of the Company
- c) An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.
- d) For the purpose of the above-mentioned paragraphs, the directors shall perform an annual self-declaration on independence (in respect of those who are Independent Directors) and conflict of interest for the Group's records.

13.0 Whistle-Blowing Policy

- a) To enhance corporate governance practices across the Group, a whistle-blowing policy was adopted which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties.

b) The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.

14.0 Anti-Bribery and Corruption Policy

The Board shall ensure a sustainable anti-corruption and anti-bribery programme be implemented in the Company and the Group, which includes compliance with the Anti-Bribery and Anti-Corruption Policy and assign adequate resources to implement the said programme. The Anti-Corruption Policy is available at the Group website.

15.0 Code of Conduct and Ethics

The Board has formalised Code of Conduct and commit to ethical values through the maintenance of a code of conduct and ethics and ensure the implementation and compliance with the code of conduct and ethics.

16.0 Indemnities and insurance

The Company shall provide directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as directors.

17.0 Corporate disclosures

The Board shall have relevant corporate disclosure policies and procedures to ensure comprehensiveness, accuracy and timeliness of information disclosed. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in the AMLR.

The Company shall consider the use of information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website. This section shall provide information such as, amongst others, the Board Charter, Term of Reference of Committee and the Annual Report of the Company.

18.0 Review Of Board Charter

The Board Charter shall be reviewed by the Board as and when required to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remains consistent with the Board's objectives and responsibilities.

This Board Charter is reviewed and approved by the Board of Directors on 22 February 2023.