

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7243
COMPANY NAME : Impiana Hotels Berhad
FINANCIAL YEAR : June 30, 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board consists of professionals and competent individuals of calibre with diverse backgrounds, expertise and experience suitable for managing the Company's businesses.</p> <p>The Board has performed the following roles and responsibilities during the financial period ended 30 June 2021:</p> <ul style="list-style-type: none">• Ensured that the Company's goals are clearly established and that strategies are in place for achieving them;• Established policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;• Monitored the performance of Management;• Decide on steps necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;• Ensured that the Company's financial statements are true and fair and conform with law;• Ensured that the Company adheres to high standards of ethics and corporate behaviour; and• Ensured that the Company has appropriate risk management/regulatory compliances policies in place <p>The above roles and responsibilities were discharged by the Board to ensure that the obligations of the Company are met and understood by its shareholders and stakeholders.</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 1.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Company's Executive Chairman is Dato' Seri Ismail @ Farouk bin Abdullah ("Dato' Seri Farouk") who is also the Chairman of the Board. The Chairman is responsible for ensuring the integrity and effectiveness of the governance processes of the Board. In addition, the Chairman ensures effective functioning of the Board; oversees and facilitates effective functioning of the Board; oversees and facilitates the Board's Committees and Board members evaluation reviews and succession planning alongside the Chairman of the Nominating 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 1.3

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is mindful of the Executive Chairman role held by Dato' Seri Farouk and is of the view that there are sufficient experienced and independent minded Directors on the Board to provide sufficient checks and balances. This allows for effective oversight of the management as well as to support objective and independent deliberation, review and decision making.</p> <p>Having more than 50 years' experience in the hospitality industry, Dato' Seri Farouk has considerable experience in the Group's businesses and provides leadership for the Board in considering and setting the overall strategies and objectives of the Group.</p> <p>The Board is of the view that it is in the interest of the Group to maintain the above arrangement so that the Board could have the benefit of a Chairman who is knowledgeable about the businesses of the Group, sets the overall strategies, conceptualises plans and leads the execution of all major development projects and investments, capable of guiding discussions at Board meetings and who is able to brief the Board in a timely manner on key issues and developments that may directly or indirectly affect any of the businesses of the Group.</p> <p>The Executive Chairman will refrain from deliberating and voting on decisions made by the Board and/or the Company where there is a conflict of interest.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

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 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 Board is advised and supported by 3 suitably qualified and competent Company Secretaries. The Company Secretaries provide sound governance advice, ensure adherence to rules and procedures and advocate adoption of corporate governance best practices as prescribed in the Malaysian Code on Corporate Governance ("MCCG") 2017 ("MCCG 2017") and the recent MCCG 2021.</p> <p>The Company Secretaries are responsible to ensure the following:</p> <ul style="list-style-type: none"> • That Board procedures are followed; • That the applicable rules and regulations for the conduct of the affairs of the Board are complied with; and • Advise on all matters associated with the maintenance of the Board or otherwise required for efficient operation of the Board. <p>The Company Secretaries attended all the Board Meetings, Committee Meetings and General Meetings to facilitate the Board and ensure that the procedures were carried out properly. The procedures and conclusion of all the Board Meetings, Committee Meetings and General Meetings are minuted by the Company Secretaries and approved by the Chairman of Meetings accordingly.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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 full agenda and comprehensive Board papers are disseminated to all Directors in advance of meetings to enable them to prepare for the meetings.</p> <p>The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman of Meetings, assisted by the Company Secretaries, assesses the type of information required which are to be provided to the Board. If the information provided by the Management is insufficient, the Board shall make further enquiries where necessary to which the persons responsible will respond as comprehensively and promptly as possible.</p> <p>As per current practice, the Management has provided the Board with timely and quality information in a form that is appropriate for the Board to discharge their duties effectively.</p> <p>Upon completion of the meetings, the deliberation, consensus and decisions made by the Board are minuted by the Company Secretaries and approved by the Chairman of Meetings accordingly.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company's Board Charter is published on the Company's website, www.impianaberhad.com and is being reviewed periodically to accommodate any changes arising from the Companies Act 2016, Main Market Listing Requirements ("Listing Requirements") and MCCG 2017 and MCCG 2021, to ensure it remain consistent with the Board's objectives and responsibilities as well as relevant standards of corporate governance.</p> <p>The Board Charter outlines the roles and responsibilities of the Board, Independent Directors, the Management, Company Secretaries and the Board Committees.</p> <p>Specific issues and decisions have been reserved by the Board such as:</p> <ul style="list-style-type: none">• Material acquisitions and disposition of assets not in the ordinary course of business;• Investments in capital projects;• Authority levels;• Treasury policies;• Risk management policies;• Key human resource issues; and• Conflict of interest issues relating to a substantial shareholder or a Director.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The 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 Company's Code of Ethics and Conduct for Directors ("COEC") is published on the Company's website, www.impianaberhad.com The COEC is intended to codify a standard of conduct by which all Directors are expected to abide; protect the business interests of the Company; maintain the Company's reputation for integrity; and foster compliance with applicable legal and regulatory obligations.
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 Company has in place its Whistleblowing Policy to provide a formal and confidential channel to enable employees and any external party to report in good faith, serious concerns of any improper conduct and/or wrongdoing committed by an employee, confidentially and anonymously to the Chairman of the Audit and Risk Committee ("ARC"), including and without limitation to the following matters:</p> <ul style="list-style-type: none"> • Fraud; • Corruption, bribery or blackmail; • Criminal offences; • Miscarriage of justice; • Concealment of any, or combination, of the above. <p>The Whistleblowing Policy aims to enhance corporate governance by helping to foster an environment where integrity and ethical behaviour is maintained. The Whistleblowing Policy also acts as an early warning system and enable the Company to remedy any wrongdoings before serious damage is caused to the Company.</p> <p>The Whistleblowing Policy is published on the Company's website, www.impianaberhad.com and any reports or complaints can be channelled to the Chairman of the ARC.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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	:	With the appointment of independent director, Dato' Hong Khay Kuan to the Board on 28 September 2021, the composition of the Board now comprised of a total of 5 members, whereby 3 are Independent Non-Executive Directors ("INEDs"), 1 is an Executive Chairman and 1 is a Non-Independent Non-Executive Director.	
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 4.2

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 justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - No independent director(s) serving beyond 9 years	
Explanation on application of the practice	:		
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 4.3 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years.

Application	:	Adopted
Explanation on adoption of the practice	:	The Board Charter of the Company sets out clearly that the tenure of an Independent Director shall not exceed the cumulative term limit of 9 years.

Intended Outcome

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

Practice 4.4

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has set in place an objective criterion in regards to diversity in skills, experience, age, cultural background and gender in considering the appointment of Board members and Senior Management.</p> <p>The Nomination Committee ("NC") is responsible for establishing the requirements for the Board, such as required mix of skills, experience, qualification and other core competencies required of a Director.</p> <p>The NC shall also be responsible to assess the recommended candidates to be appointed as Senior Management and evaluate the candidate's skill sets, expertise, experience as well as the integrity, existing commitments and potential conflict of interests.</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 4.5

The board discloses in its annual report the company’s policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company is not a Large Company as defined under MCCG 2017. Currently, there is 1 female director sitting on the Board.</p> <p>The Board take note of MCCG 2021 where emphasis was placed on gender diversity. The Board keeps in view Practice 4.5 when making new appointments to the Board to meet its target of having 2 female directors to sit on 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 4.6

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.

Application	:	Applied	
Explanation on application of the practice	:	<p>The present composition of the NC who are Independent Directors convenes its meetings once every financial year to perform an assessment and evaluation on the effectiveness of the current Board members. The assessment and evaluation is done for the purpose of identifying weaknesses and recommending improvements to the Board.</p> <p>The NC is satisfied with the current size of the Board and with the mix of qualifications, skills & experience of its Board members.</p> <p>In addition, the NC is also open to referrals from external sources when Board vacancies arise.</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 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	The current Chairman of the NC, Datuk Supperamaniam a/l Manickam is an Independent Non-Executive Director.	
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 5.1

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 and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

Application	:	Applied	
Explanation on application of the practice	:	<p>The effectiveness of the Board and the Board's Committees are annually assessed and evaluated by the NC. The NC consists of Independent Non-Executive Directors to ensure unbiased recommendations and independent decisions are made.</p> <p>The NC shall present to the Board on the assessment and evaluation methodology and its outcome.</p> <p>The aim of the assessment evaluation is to identify areas of weaknesses of the Board and recommend improvements independently.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 6.1

The board has in place 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 policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has in place the necessary policies and procedures to determine remuneration packages for the Board and Senior Management. These policies and procedures are implemented by the Remuneration Committee ("RC").</p> <p>The RC considers the candidate's demands, complexities of the Company's business and target of performance of the Company to be achieved, as well as skills and experience required from a candidate when determining a remuneration package.</p> <p>In addition, the RC is tasked to review and recommend to the Board the remuneration package of the Executive Directors and Non-Executive Directors. The remuneration packages will be set at an appropriate level to attract and retain Directors of calibre.</p> <p>The remuneration package framework shall cover all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options and other benefits payable.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 6.2

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 policies and procedures of the RC are set out in the "Remuneration Committee - Terms of Reference".</p> <p>The Chairman of the RC is a Non-Executive Independent Director (NEID) and the current RC consists of wholly NEIDs. The RC reviews the remuneration packages of the Board and Senior Management annually.</p> <p>The Board is satisfied with the performance of the RC in carrying out its duties according to the "Remuneration Committee - Terms of Reference" which is published on the Company's website, www.impianaberhad.com</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 7.1

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 disclosure and the remuneration breakdown of the individual Directors' by their respective names are set out under Directors' Remuneration in the "Corporate Governance Overview Statement" section in the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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 7.2

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	:	Applied
Explanation on application of the practice	:	The remuneration breakdown of the Group Chief Operating Officer and Group Chief Financial Officer (collectively referred to herein as the "Senior Management") and key executives of the Company on an aggregate basis for the FYE 30 June 2021 is disclosed in the "Corporate Governance Overview Statement" section in the Annual Report. The key executives' remuneration are based on their positions in the Company and not on named basis.
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 7.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	The disclosure on the Senior Management and key executives' remuneration is provided in the "Corporate Governance Overview Statement" section in the Annual Report.

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 8.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Audit and Risk Committee ("ARC") comprised of 3 members who are Non-Executive Directors and majority being Independent Directors.</p> <p>The Chairman of the ARC is Prof. Dr. Mohd Amy Azhar bin Hj. Mohd Harif ("Prof. Amy"), a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA). He is an Independent Director and assumed his current role as Chairman of the ARC on 19 January 2018.</p> <p>The Chairman of the Board is Dato' Seri Farouk, whose role and responsibility as Chairman of the Board differs from that of the Chairman of the ARC.</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 8.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The "Audit Risk Committee - Terms of Reference" published on the Company's website, www.impianaberhad.com provides for the observance to a cooling-off period of at least 2 years prior to any appointment of a former key audit partner as member of the ARC.</p> <p>Presently, none of the members of the Audit Risk Committee are former key audit partners of the Company's external auditors.</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 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company through the "Audit Risk Committee - Terms of Reference" has outlined specific policies and procedures to assess the suitability, objectivity and independence of the appointed external auditor.</p> <p>It is the function of the ARC to review the external auditor's audit plan, the evaluation of the system of internal controls and the quality of audit report.</p> <p>The appointed external auditors, Messrs Moore Stephens Associates PLT (LLP0000963-LCA & AF2096) has remained objective and independent throughout their tenure as external auditors of the Company during the FYE 30 June 2021.</p> <p>The ARC carries out assessment and performance review of the external auditor via a private session during the ARC meetings without presence of the Management of the Company over the Company's financial statements.</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 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	The Audit Risk Committee ("ARC") consists of 2 NEIDs and 1 Non-Executive Non-Independent Director. The current composition of the ARC is in compliance with Paragraph 15.09(1)(b) of the Listing Requirements which requires the majority of AC to be 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 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate 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 Audit Risk Committee ("ARC") is chaired by Prof. Amy who is a Chartered Accountant and a member of the MIA.</p> <p>In addition, the Chairman of the ARC is supported by qualified and experienced members who are financially literate and possessing the ability to understand matters under the purview of the AC including the financial reporting processes.</p> <p>The Board is satisfied with the ARC's performance in providing checks and balances to the Company as its Chairman and members have applied the necessary knowledge, experience, expertise and skills in discharging their duties.</p> <p>The ARC members will continuously keep themselves abreast on developments in the accounting and auditing standard, practices and rules in financial reporting.</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 9.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is fully aware of its overall responsibility in continuously maintaining a sound internal control system which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to identify the risks to which the Company is exposed and mitigate the impacts thereof to meet the particular needs of the Company.</p> <p>The Board has delegated the responsibility for the review of the risk management and internal control system to the ARC. The Company's Internal Audit Department ("IAD") led by the Internal Audit Manager ("Internal Auditor") is tasked to establish the process and procedure for identifying, evaluating and monitoring these risks and implementing appropriate controls in managing these risks; and ensuring a sound system of internal control is in place in order for the system to function well. The IAD will also carry out an assessment to determine the effectiveness and efficiency of the various business units' operations within the Group and their compliance with applicable laws, policies and procedures.</p> <p>The Board regards risk management as an integral part of the Group's business operations and has oversight over this critical area through the ARC. The Group's enterprise risk management ("ERM") framework was approved by the Board on 27 August 2020. The ARC, supported by the Internal Auditor, provides an independent assessment of the effectiveness of the Group's ERM framework and reports to the Board.</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	:		
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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 9.2

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 risk management and internal control framework are further elaborated in the "Statement on Risk Management and Internal Control" section in the Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 9.3 - 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	:	The Board approved the renaming of the Audit Risk Management Committee to "Audit and Risk Management Committee" on 27 August 2020 and the ARC oversees the Company's risk management framework and policies. The composition of the ARC comprises a majority of 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 10.1

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 Company’s internal audit function is carried out by the IAD.</p> <p>The IAD reports directly to the ARC on the audit findings and provide recommendations for corrective actions to the AC for AC’s consideration. The IAD operates independently of the Company and reports its findings to the ARC directly.</p> <p>The audits carried out by the Internal Auditor is carried out based on the annual audit plan, reviewed and approved by the ARC. Audit activities are scheduled based on risk assessment and risk areas are identified using a risk-based planning approach.</p> <p>The internal audit function is to ensure a regular review of the adequacy and integrity of the Group’s system of internal control and risk management, and compliance with the Group’s policies and procedures.</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 10.2

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 Internal Auditor leads the IAD in his capacity as the Internal Audit Manager. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. He is currently carrying out the audit work in his sole capacity and reports his audit findings of the Group to the ARC directly.</p> <p>Currently, the Group consist of 3 operating assets which are active and running. The Company may look into increasing and the resources of IAD when the need arises.</p> <p>The Internal Auditor is free from any relationships and does not have any conflicts of interest with the Board, Senior Management and officers of the Company and the Group.</p> <p>The Internal Auditor carried out the internal audits of the Group based on a risk-based plan approved by the Audit Committee which meet the objectives of the internal audit framework relevant and applicable to the industry.</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 11.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is committed to ensuring accurate and timely disclosures of information regarding the Company to its shareholders. The shareholders are kept abreast with the development of the Company's activities via the following:</p> <ul style="list-style-type: none"> • Disclosure on Annual Report through Bursa Malaysia Securities Berhad ("Bursa Securities"); • Disclosure on Quarterly Results and Annual Results to Bursa Securities; • Engagement meetings and briefings with investors, analysts and the media; • Announcement of major developments through Bursa Securities. <p>In addition to the above, the Company maintains a corporate website, <i>www.impianaberhad.com</i> which serves as a platform for stakeholders to access corporate information, news, events and announcements relating to the Company.</p> <p>The Company engages with its shareholders through Annual General Meetings and Extraordinary General Meetings. This provides the shareholders an opportunity to engage with the Board and the Senior Management of the Company.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is 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 11.2

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is not deemed as a Large Company as defined by MCCG 2017.	
<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 12.1

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	:	<p>The Company's Annual Report will be issued to its shareholders within 4 months from the close of the financial year in accordance with paragraph 9.23(1) of the Listing Requirements whilst the AGM will be held at a later date.</p> <p>The Notice of Meeting for the Company's 13th AGM and Form of Proxy are enclosed in the Annual Report 2021 and will be issued to the shareholders on 29.10.2021, in compliance with Practice 12.1 herein.</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 12.2

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 save and except for directors who resigned during the financial year have attended all General Meetings held during the FYE 30 June 2021.</p> <p>The Chairman of the Board and Committees, including the members are aware of their respective roles to provide meaningful response to any questions raised by the shareholders during the General Meetings.</p> <p>It has always been the practice of the Senior Management to also be in attendance during these General Meetings to facilitate the Board in responding to the shareholders' queries.</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 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

Application	:	Applied	
Explanation on application of the practice	:	In view of Covid-19 pandemic, the Company will be conducted its upcoming Annual General Meetings virtually via live streaming and online voting (e-polling) from the broadcast venue. This arrangement will enable more shareholders who were previously constrained by distance to participate and actively engage with the Board in the General Meetings from wherever their location is.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

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

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

N/A
