

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0010
COMPANY NAME : IRIS Corporation Berhad
FINANCIAL YEAR : March 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES 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 Directors ("Board") recognised on the Company's strategic aims and committed to play a key role for the Company to meet its objectives, visions and missions.</p> <p>To ensure smooth sailing of the Company's policies, strategies and business plans, the Board has delegated the authority to monitor and evaluate the implementation of the Company's policies, strategies and business plans to the Management.</p> <p>The term of reference to discharge its duties is referred in the Board Charter. The Board Charter is available for reference on the Company's website at www.iris.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

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>Dr. Poh Soon Sim, a Non-Independent Executive Director, is the Chairman of the Board.</p> <p>The Chairman, with the assistance of Acting Chief Executive Officer, Group Finance Director and the Company Secretaries, sets the agenda for each Board meeting based on the annual meeting calendar, and the same is circulated to the Board members accordingly prior to each meeting.</p> <p>The Chairman is elected by the Board members to provide leadership at Board level and represents the Board to the shareholders and other stakeholders. The Chairman is responsible for ensuring integrity and effectiveness of the Board and Board committees.</p> <p>Details of the responsibilities of the Chairman are set out in the Board Charter 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 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year under review, the positions of the Chairman and Chief Executive Officer ("CEO") are held by different individuals with clear and distinct roles which are formally documented in the Board of the Company to ensure a check and balance of power and authority between the Chairman and CEO.</p> <p>The Chairman of the Board is responsible for the leadership, effectiveness, conduct and governance of the Board, and provides oversight over operations of the Group. Dr. Poh, Executive Chairman together with Mr. Chia Jen Wen, the Acting CEO of the Company have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.</p> <p>The segregation of roles and responsibilities between the Chairman and the Management are defined in the Board Charter, which is accessible on the corporate website: www.iris.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

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is not a member of the Audit and Risk Management Committee, Nomination Committee or 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 Board is supported by qualified and competent Company Secretaries who are responsible for ensuring that the Company's constitutions, procedures, policies and regulations are complied with. The Company Secretaries also ensure that all obligations required by the regulatory and under the Listing requirements are fulfilled in a timely manner.</p> <p>The Board is regularly updated and advised by the Company Secretaries on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretaries in discharge of their functions.</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 complete and accurate meeting materials are distributed 7 days in advance to the meeting to ensure the respective Board and Board Committees members have sufficient time to review and to analyse the meeting materials as well as seek any clarification that they may need from the Management.</p> <p>All deliberations, decisions of the Board, and any issues raised are being properly minuted and filed in the statutory records of the Company by the Company Secretaries.</p> <p>The draft minutes of meetings is circulated to the Management in a timely manner upon conclusion of the meetings for appropriate actions to be taken. Action items would stay as matters arising in the minutes of meetings until they are resolved.</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	:	The Company has formalised and adopted a Board Charter which sets out a list of specific roles and functions which are reserved to the Board and other matters that are important for good corporate governance. The Board Charter is accessible through the Company's website at www.iris.com.my and will be reviewed constantly to ensure it remains consistent with the Board's objectives, responsibilities and practices.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has established the Code of Ethics and Conduct as stated in the Board Charter. The Code of Ethics and Conduct sets put the principles and standards of business ethics and conduct of the Group and is to be observed by all employees, officers and directors of the Group.</p> <p>The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant and appropriate. The Code of Ethics and Conduct is made available for reference by all employees, officers and directors of the Group in the IRIS web-office.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Whistleblowing Policy is available and provides an avenue for whistle blowers to raise concerns in good faith, confidently and professionally of any improprieties within the Group and as a guidance for all employees and stakeholders to whistle-blow without the fear of victimization, reprisals, harassment or other unfair treatments as a result of their whistleblowing. The Policy will be reviewed from time to time to ensure effectiveness. This Policy is published on the Company's website at www.iris.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 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 together with the Management understands the importance of the pertinent environmental, social, and governance (“ESG”) factors on affecting the Group’s performance and has been actively taking in the sustainability in every decision-making process.</p> <p>The Board and the Management have been continuously engaged and considered the views of its internal and external stakeholders to better understand and manage the company’s sustainability risks and opportunities.</p> <p>The sustainability matters are discussed in the Sustainability Statement in 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 4.2

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's sustainability environmental, governance structure, sustainability and initiatives are described in the Sustainability Statement as included in the Company's Annual Report.</p> <p>The Company carried review with the Management on the discussion on sustainability reporting. The stakeholders will be able to assess the Company's approach towards sustainability via the disclosure in the Company's Annual Report and website.</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>The Board keeps abreast and understand the sustainability issues relevant to the Company and its business through the Board Committees and the Management.</p> <p>Audit and Risk Management Committee (“ARMC”) reviews and deliberates together with the Management the risk areas which would have significant impact on the sustainability of the Company regularly. ARMC monitors the progress of initiatives and internal controls taken by the Management mitigating the underlying sustainability issues faced by the Company.</p> <p>The Board has sufficient understanding and knowledge of sustainability issues that are relevant to the company and its business, to discharge its role effectively. The Board ensures that the strategy of the company and the sustainability efforts are aligned. To accomplish the company’s transparency, the Board encourages open communications with all key stakeholders built on high levels of information disclosure, clarity, and accuracy as well as an openness to recognising faults and improving practices.</p> <p>The Board is committed to abide by all applicable environmental laws and regulations in relation to climate change, energy use and waste management. Regular review on any risks and potential challenges is essential to ensure that the business operations risks are being appropriately managed.</p> <p>The sustainability initiatives relevant to the Company are set out in the Sustainability Statement in 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 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	The Board and the Management play an important role in addressing material sustainability risks and opportunities. The yearly performance evaluations of the board and the Management is not only focused on the financial performance of the company. It always covers other non-financial performance including sustainability 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

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

Practice 4.5- Step Up

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

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	The Nomination Committee of the Company is responsible to carry out annual review of effectiveness of the Board as a whole, which also include the consideration of composition, structure, mix of skills, experience and competencies of the Board and each Board members. The Nomination Committee also keep track of the tenure of each independent director to assess the independence criteria.
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 comprises seven (7) members:</p> <ol style="list-style-type: none"> 1) two (2) Non-Independent Executive Directors; and 2) five (5) Independent Non-Executive Directors (“INED”). <p>The number of INED is the majority of the Board composition. The Board believes that it can effectively exercise independent judgement when making its decisions.</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	:	None of the Independent Directors has exceeded the tenure of a cumulative term of nine (9) years in 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

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

Practice 5.4 - Step Up

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

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
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 Nomination Committee (“NC”) is responsible for the evaluation and assessment of the board members and principal officers.</p> <p>The NC takes into consideration a candidate’s ability to discharge responsibilities/ function as expected from the Executive Director or Independent Non-Executive Director (“INED”) prior to its recommendation for appointment to the Board.</p> <p>The NC has also conducted a review on the criteria of skill, experience and leadership qualities, driven by their respective job descriptions, for principal officers. The Board is of the view that the current principal officers have an appropriate mix of skills, knowledge, experience, age, ethnicity and gender with diverse professional backgrounds, a wide range of experience and expertise in service and compliance, trusted ID and information technology, project development, corporate management /business, finance/taxation/ accounting/auditing, legal and corporate secretarial.</p> <p>This provides a collective range of skills, expertise and experience that fit the Group’s objectives and strategic goals.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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>Appointments of new directors are undertaken by the Board as a whole after considering the recommendations of the Nomination Committee. Potential candidates may be proposed by any current Board member, shareholder or the Management or by utilising independent sources such as recruitment firms or through industry associations.</p> <p>In considering potential candidates for appointment, the Nomination Committee undertakes a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of Board of Directors are presented under the 'Board of Directors' in the Annual Report FYE 2024 ("Annual Report 2024"). These includes their age, nationality, date of appointment, directorship in other companies, working experience, shareholding in IRIS and conflict of interest, if any.</p> <p>Shareholders are kept informed of Board's decision in respect of appointment of directors via announcement to Bursa Malaysia Securities Berhad ("Bursa Malaysia") which includes the background information, position and interest.</p> <p>For any re-election of Directors, the Board through the Nomination Committee has assessed the performance and contribution of each director. The Board is satisfied with the performance and recommends the directors to shareholders for approval, A Statement Accompanying Notice of Annual General Meeting ("AGM") is attached in the annual report to provide the relevant information to shareholders for their consideration and decisions to be made during AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	The Nomination Committee is chaired by Dato' Dr. Abu Talib Bin Bachik, a Senior 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

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	As at 31 March 2024, the Board has one (1) female Independent Non-Executive Director, namely Dato' Ng Wan Peng, which represent 14% of the Board.	
		The Nomination Committee, in its selection for Board appointment, believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board acknowledges the importance of boardroom diversity and the recommendation of the Code pertaining to the establishment of a gender policy. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.	
		The Board currently has one (1) female director. With the current composition, the Board is of the view that its members have the necessary knowledge, experience and competence to enable them to discharge their duties and responsibilities effectively.	
		The recruitment or promotion to the Board or principal officers role will be based on skills, competencies, knowledge, experience and contribution.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

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

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee is authorised by the Board to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendations of the Remuneration Committee.</p> <p>The remunerations of the Executive Directors were determined fairly based on the performance and the profitability of the Group as a whole. The Directors' remuneration is at the discretion of the Board, taking into account the comparative market rates that commensurate with the level of contribution, experience and participation of each Director. The overriding principle adopted in setting the remuneration packages for the Executive Directors by the Remuneration Committee is to ensure that the Company attracts and retains the appropriate Directors of the calibre needed to run the Group successfully.</p> <p>The determination of the remuneration for Non-Executive Directors is a matter of the Board as a whole. The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organisations, adjusted for the experience and levels of responsibilities undertaken by the particular Non-Executive Directors concerned. The remuneration package of Non-Executive Directors will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his individual remuneration. In addition, the Company also reimburses reasonable out-of-pocket expenses incurred by all the Non-Executive Directors in the course of their duties as Directors of the Company. The aggregate annual Directors' fees are to be approved by shareholders at the Annual General Meeting based on recommendations of the Board.</p>

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

Intended Outcome

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 Remuneration Committee is established to assist the Board in developing remuneration policies and procedures that enable the Group to attract, motivate and retain qualified Directors and principal officers.</p> <p>The primary responsibilities of the Remuneration Committee are stated in the Board Charter which is available on the Company's website at www.iris.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 of individual directors on a named basis for the financial year ended 31 March 2024 are tabulated as follow:

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	Dr. Poh Soon Sim	Executive Director	21,056	-	1,418,212	29,950	9,038	1,478,256	21,056	-	1,418,212	29,950	9,038	1,478,256
2	Mr H'ng Boon Heng	Executive Director	21,056	-	829,928	19,256	100,634	970,874	21,056	-	829,928	100,634	19,256	970,874
3	Dato' Dr. Abu Talib Bin Bachik	Independent Director	106,732	15,500				122,232	106,732	15,500				122,232
4	Dato' Mohamed Khadar Bin Merican	Independent Director	112,116	13,000				125,116	112,116	13,000				125,116
5	Dato' Ng Wan Peng	Independent Director	102,942	14,000	-	-	-	116,942	102,942	14,000	-	-	-	116,942
6	Mr Ling Hee Keat	Independent Director	115,132	14,500	-	-	-	129,632	115,132	14,500	-	-	-	129,632
7	Haji Hussein Bin Ismail	Independent Director	104,832	14,000	-	-	-	118,832	104,832	14,000	-	-	-	118,832
8														
9														

Intended Outcome

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

Practice 8.2

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

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

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1								
2								
3								
4								
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 8.3 - 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)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1								
2								
3								
4								
5								

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 and Risk Management Committee ("ARMC") is chaired by Dato' Mohamed Khadar Bin Merican, an Independent Non-Executive Director of the Company. The Chairman of the Board and the Chairman of ARMC are held by two (2) different Directors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	The Audit and Risk Management Committee's Terms of Reference to be revised to include a clause on a minimum cooling-off period of three (3) years before a former key audit partner can be appointed as a member of the Audit and Risk Management Committee. As at the year under review, none of the members of the Audit and Risk Management Committee are former key audit partners.	
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	:	The Audit and Risk Management Committee reviews the independence and objectivity of the external auditors and the services provided. The external auditors had provided a confirmation of their independence to the Audit and Risk Management 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.	
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	:	<p>The Audit and Risk Management Committee ("ARMC") comprises entirely of five (5) Independent Non-Executive Directors: -</p> <ul style="list-style-type: none"> • Dato' Mohamed Khadar Bin Merican (Chairman) • Dato' Ng Wan Peng (Member) • Dato' Dr. Abu Talib Bin Bachik (Member) • Haji Hussein Bin Ismail (Member) • Mr Ling Hee Keat (Member) <p>All the ARMC members are financially literate. They have sufficient understanding of the Group's business and matters and have effectively discharged their duties pursuant to the Terms of Reference of the ARMC.</p> <p>The Chairman of the ARMC, Dato' Mohamed Khadar Bin Merican is a member of the Malaysian Institute of Accountants ("MIA") and Institute of Chartered Accountants in England and Wales. ARMC meets the requirement of Rule 15.09(1) (a),(b) and (c) of the ACE Market Listing Requirements.</p>

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>All members of the Audit and Risk Management Committee ("ARMC") appointed to the Board had attended the Mandatory Accreditation Program prescribed by Bursa Malaysia.</p> <p>The ARMC members are financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process. The qualification and experience of the ARMC members are disclosed in the Board of Directors' Profile in the Annual Report.</p> <p>All members of ARMC undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules during the financial year ended 31 March 2024.</p> <p>The ARMC will on continuing basis evaluate and determine the training needs of each member of the ARMC, particularly on relevant new law and regulations and essential practices for effective corporate governance and risk management to enable the members of the ARMC to effectively discharge their duties.</p> <p>In addition to the above, members of the ARMC would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the External Auditors, the Internal Auditors and Company Secretaries during the Committee 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

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	:	The Board has established an Internal Control and Risk Management framework as referred to in the Board Charter which is available for reference on the Company's website at www.iris.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

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	:	Statement on Risk Management and Internal Control in the Annual Report provides an overview on the state of risk management and internal controls within the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	The Board renamed the "Audit Committee" to "Audit and Risk Management Committee" on 29 November 2018 and the role of Audit and Risk Management Committee will also oversee the company's risk management frameworks and policies.

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 has appointed an established external professional internal audit firm namely Deloitte Business Advisory Sdn Bhd, who reports to the Audit and Risk Management Committee and assist the Audit and Risk Management Committee in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks management throughout the Group in achieving its business objectives.</p> <p>Internal Auditors provides independent assessment on the effectiveness and efficiency of internal controls utilizing a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the Audit and Risk Management Committee.</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	:	The Group's outsourced internal audit function is carried out by Deloitte Business Advisory Sdn. Bhd. The internal audit activities were reported directly to the Audit and Risk Management Committee based on the approved annual Internal Audit Plan. The approved annual Internal Audit Plan is designed to cover entities across all level of operations within the Group.	
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>In maintaining its commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as the general investing public.</p> <p>The Board has ensured that all disclosure requirements as set out in the Listing Requirements by Bursa Malaysia are duly complied with by making timely announcements. All financial reports, company profiles, corporate governance and other information are available to shareholders via the Company's website www.iris.com.my.</p> <p>Besides that, Annual General Meetings are held and the procedures are compliance with the regulatory requirements and MCCG 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 12.2

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 is not Large Company under the MCCG 2021.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board of Directors is aware and in full support of effective shareholders' participation at the AGM. The Notice of Thirtieth Annual General Meeting for ("30 th AGM") to be held will be served 28 days prior to the date of the 30 th AGM as required under the Code and the Company's Constitution.	
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>The Chairman assisted by all the directors including the Chair of all respective Board Committees and the Management at the AGM on 20 September 2023, to engage with shareholders and to take questions raised by the shareholders.</p> <p>All the directors present themselves at the previous AGMs. The Audit and Risk Committee Chairman, the Nomination Committee Chairman and the Remuneration Committee Chairman were being informed that questions relating to the Committee under their purview will be addressed by them 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

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>With the upliftment of restriction measures from pandemic to endemic stage, the Company has conducted the last AGM physically at Auditorium, IRIS Smart Technology Complex, Technology Park Malaysia, Bukit Jalil, Kuala Lumpur.</p> <p>In line with the Listing Requirements, all resolutions set out in the notice of AGM were carried out by poll voting.</p> <p>The Company has appointed Tricor Malaysia as poll administrator to conduct poll by way of electronic voting and PKF Risk Management Sdn Bhd as the independent scrutineers to verify the poll results. The poll results were announced on the same day via Bursa Malaysia website.</p> <p>Tricor Malaysia was also responsible to maintain the security and protection of the meeting attendants' personal data, and to provide a compliant and consistent approach to data protection for the virtual AGM.</p> <p>In the meantime, shareholders who are unable to attend General Meeting may appoint their respective proxies to vote on their behalf at all General Meeting 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

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	: All the directors present themselves at the 29 th AGM held on 20 September 2023. During the last AGM, the Board and the Management had provided meaningful explanation to questions addressed to them.
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 :	Not applicable – only physical general meetings were conducted in the financial year
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

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Board of Directors is aware and in full support of effective shareholders' participation at the AGM. The minutes of last AGM were published on the Company's website within the stipulated time.
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.

This Section B is not applicable to IRIS Corporation Berhad.