

Corporate Governance

OVERVIEW STATEMENT

This Corporate Governance Overview Statement (the “Statement”) provides insights into the corporate governance practices within IOI Group (the “Group”) under the leadership of the Board of Directors (the “Board”) of IOI Corporation Berhad. This Statement outlines the principles and features of the Group’s corporate governance framework, highlighting the Board’s key focus areas and priorities for the financial year ended 30 June 2024 (“FY2024”).

The Group’s governance framework extends beyond an abstract interest in governance or mere compliance with regulatory requirements. We see governance as a shared responsibility between the Board and the senior management. In line with this belief, concerted efforts have been made to strengthen the governance structures and processes within the Group, in order to ensure a cohesive Group-wide approach to upholding high governance standards.

As demonstrated by the Group’s good performance and track record over the years, we believe that effective corporate governance is the key to sustainable long-term success and value for shareholders and other stakeholders. Our fundamental corporate governance principles are inspired by Vision IOI, with the aim to achieve responsible and balanced commercial success by addressing the interests of all stakeholders. Our employees are guided by IOI Core Values in conducting and managing the business and affairs of the Group.

In tandem with the evolving corporate governance best practices and due to dynamic global landscapes, emerging technologies, and changing stakeholder expectations, we remain committed to continually assessing

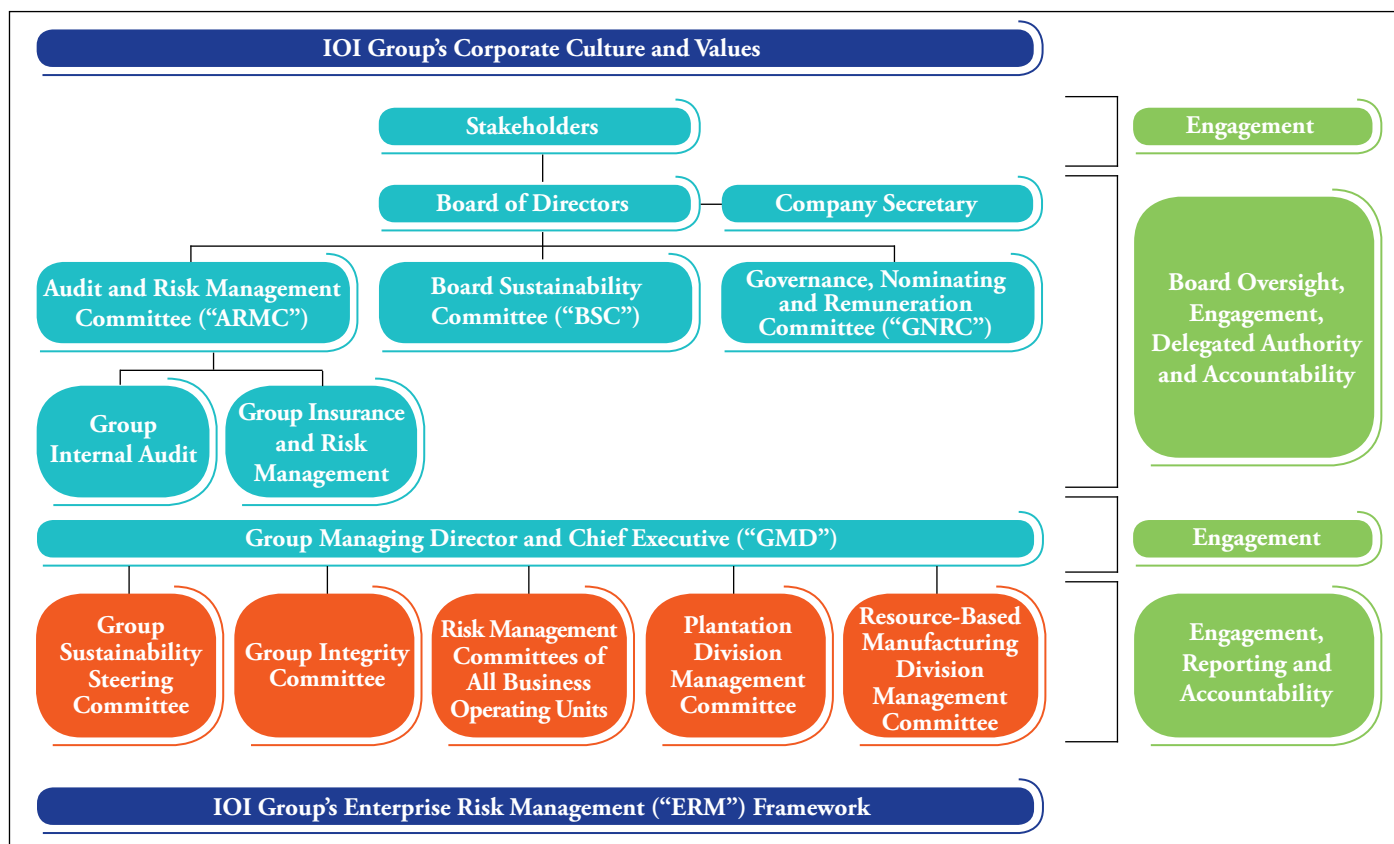
and refining the Group’s governance practices, taking into account the needs of the Group.

HOW THE GROUP’S GOVERNANCE FRAMEWORK SUPPORTS THE GROUP’S STRATEGY

At the Group, we believe in the importance of having a good governance framework that facilitates good business conduct and provides appropriate focus in delivering the Group’s strategy. Our value-based governance framework takes into consideration the following:

- Malaysian Code on Corporate Governance (the “CG Code”);
- Main Market Listing Requirements (the “Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”);
- Corporate culture and values that guide ethical conduct and adherence to applicable legislations and regulations;
- Commitment to continuous improvement to strengthen all relevant governance aspects;
- Governance policies and practices, including the enterprise risk management framework; and
- Stakeholder reporting practices.

The governance framework of the Group is illustrated in the following chart:



The role of the Board within our governance framework is to create long-term sustainable value for the benefit of shareholders and wider stakeholders. The Board's high-level responsibilities are among others:

- (i) To establish and review the Group's strategies and policies;
- (ii) To oversee risk management and corporate governance processes within the Group;
- (iii) To monitor the Group's progress in achieving its objectives and plans;
- (iv) To consider the interests of all stakeholders, giving due accountability to shareholders for the proper conduct and long-term success of the business;
- (v) To provide constructive challenge to the management to assess whether actions taken by the management are aligned with business strategies and future direction of the Group; and
- (vi) To ensure that sustainability remains a core element of the Board's strategic planning and decision-making.

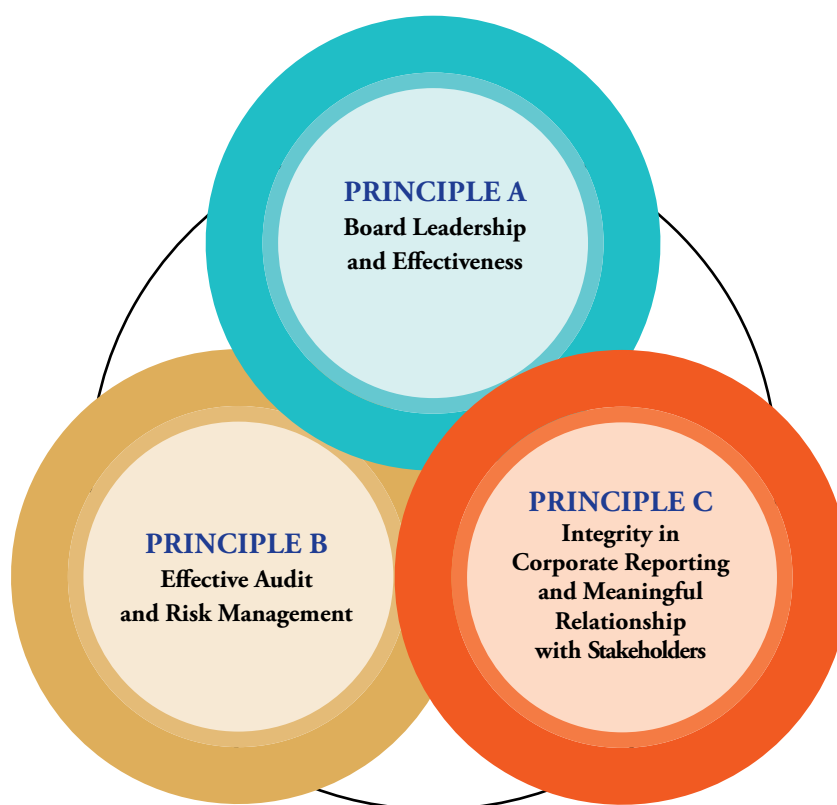
While the Board reviews and approves the Group's strategy, the development and implementation of the Group's strategies is delegated to the senior management, including the GMD. To ensure an appropriate and consistent approach is applied across the entire Group, authority for decision making is formally delegated by the Board and is cascaded down throughout the Group.

ADOPTION OF THE CG CODE

The Company had fully adopted all applicable principles as recommended by the CG Code during FY2024, save for Practice 8.2 of the CG Code where it requires the Board to disclose on a named basis the top five (5) senior management's remuneration in bands of RM50,000.

Details of how we applied the CG Code principles and complied with its practices are set out in the Corporate Governance Report ("CG Report") published on our website at <https://www.ioigroup.com/governance>. The explanation for departure from Practice 8.2 of the CG Code and disclosure of alternative practice are also disclosed in the CG Report.

This Statement is structured in accordance with the three (3) broad principles of the CG Code:



A. BOARD LEADERSHIP AND EFFECTIVENESS

A.1 BOARD LEADERSHIP, ROLES AND RESPONSIBILITIES

The Board serves as the Group's primary leadership organ, whose main function is to establish the Group's purpose, values and strategies, and to ensure that the Group's corporate culture aligns with these elements. An effective Board is instrumental in formulating and implementing effective company strategies and therefore, continual enhancement of the effectiveness of the Board remains our priority.

The Board's duties include reviewing and approving financial performance, critical business issues, annual Group budgets and strategic plans, while ensuring sustainability/ environmental, social and governance ("ESG") considerations are embedded throughout the Group's strategic and operational framework. The Board maintains a schedule of reserved matters, while also delegating its authority in specific areas to its Board Committees based on the written Terms of Reference of each Board Committee. Details on the work of the ARMC and the GNRC are disclosed in the respective sections of this Annual Report. The Terms of Reference of each of the Board Committees are available on our website at <https://www.ioigroup.com/governance>.

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As illustrated below, a formal division of responsibilities exists between the Board and the management, ensuring clear lines of accountability and oversight.

Non-Executive Directors	Executive Director	Key Senior Management	
Chairman Tan Sri Peter Chin Fah Kui Leads the Board and is responsible for its overall effectiveness	GMD Dato' Lee Yeow Chor Responsible for day-to-day management of the business and implementation of the Group's strategies	Deputy Group Chief Executive Officer Tan Kean Hua <i>(Appointed on 1 July 2024)</i> Supports the GMD in the day-to-day management of the business and implementation of the Group's strategies	
Senior Independent Director (vacant) Supports the Chairman in matters of governance and Board performance, and serves as an intermediary for other Directors		Group Chief Financial Officer ("Group CFO") Kong Kian Beng Provides financial leadership and support in the development and implementation of the Group's strategies	
Independent and Non-Independent Non-Executive Directors Provide constructive challenge to the executive management		Plantation Director Sudhakaran a/l Nottath Bhaskaran Director of Oleochemical, Malaysia Koo Ping Wui <i>(Appointed on 1 July 2024)</i> Director of Commodity Marketing Lim Jit Uei	Oversees the success of business units through the development and implementation of the Group's strategies

COMPANY SECRETARY

The Board is supported by a Company Secretary, Mr Tan Choong Khiang who was appointed to the role on 8 August 2011. The Board has unfettered access to the services and advice of the Company Secretary. The major responsibilities of the Company Secretary are, among others:

- To advise the Board on all governance matters;
- To ensure adherence with Board procedures and applicable rules and regulations, taking into account best practices and recommendations of the CG Code;

- To promote effective communication flow between the Board and its Committees, and between senior management and Non-Executive Directors; and
- To facilitate communication of key decisions and policies between the Board, Board Committees and senior management.

In ensuring consistency of Board conduct and effective boardroom practices across the Group, the Company Secretary maintains oversight of the Group's corporate secretarial functions, both in Malaysia and in other regions where the Group operates. The appointment and removal of the Company Secretary is determined by the Board.

A.2 BOARD INDEPENDENCE

In an effort to strengthen the Board's independence and to maintain adequate women representation on the Board, the Board had undergone the following changes in its composition during FY2024:

- Mr Lim Tuang Ooi and Datuk Zurinah binti Pawanteh were appointed as new Independent Non-Executive Directors ("INEDs") in July and September 2023 respectively.
- At the 54th Annual General Meeting held on 27 October 2023, Tan Sri Dr Rahamat Bivi binti Yusoff and Mr Cheah Tek Kuang had retired from the Board.
- Following the above changes, the ARMC and GNRC had been re-constituted to ensure that each of the Board Committees comprises fully independent Directors.

The independence of each INED is assessed yearly by way of a self-evaluation process, whereby each INED is required to affirm that he/she has fulfilled the criteria of independence as set out in the Listing Requirements of Bursa Malaysia. Any prospective INED to be appointed to the Board is also required to provide a written confirmation of his/her independence for the GNRC's assessment prior to the Board's approval.

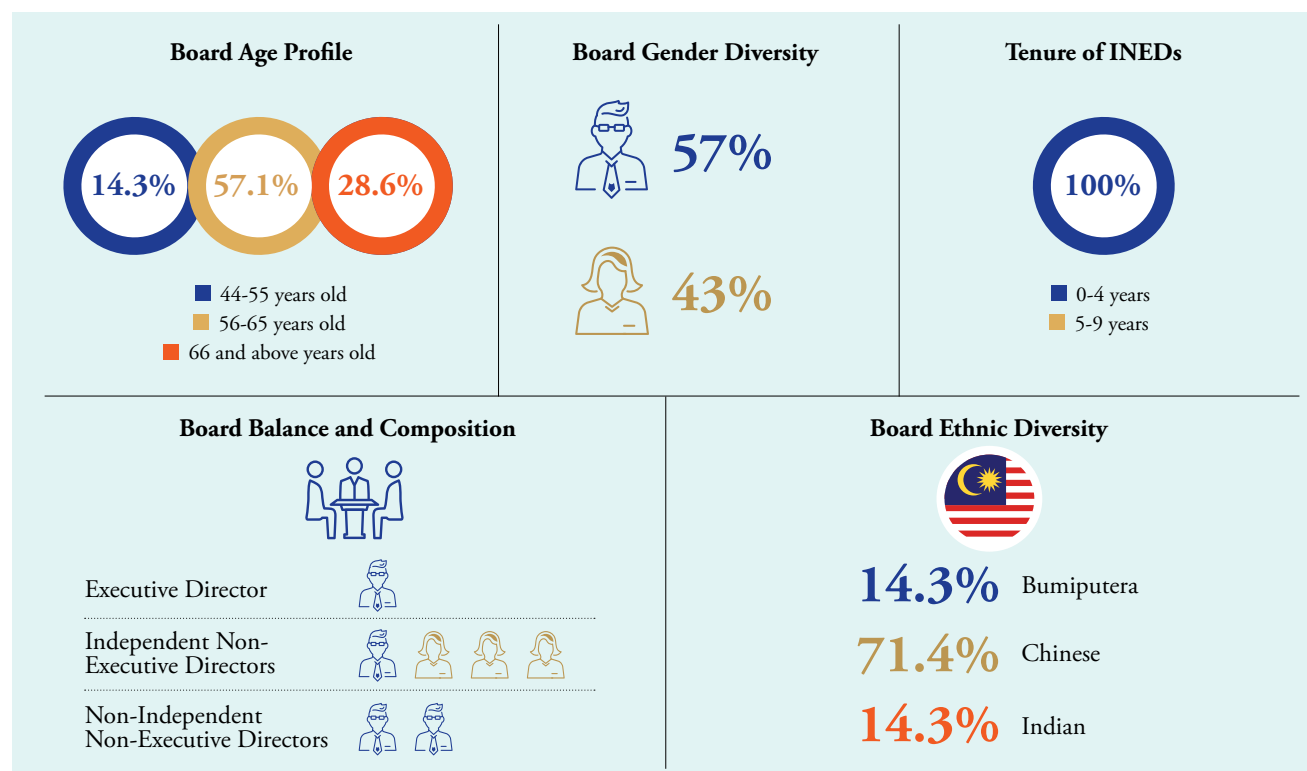
The ARMC also continue to monitor situations of potential conflict of interest involving any Director and key senior management, and provide recommendations to the Board on whether such situations should be authorised by the shareholders and if any conditions should be attached to such authorisations. The Directors are regularly reminded of their ongoing obligations in relation to conflicts of interest and are required to review and declare/confirm their external interests at least annually. This is essential in assessing the independence of INEDs.

After due consideration of the Directors' latest declarations/confirmations in respect of any actual or potential conflicts of interest, the Board concluded that all INEDs remain independent in character and judgement, and that the INEDs can continue to provide impartial, unbiased insights into the Group's affairs and to offer independent views to the Board. Each INED has consistently provided objective challenge to the management and they are able to express their viewpoints for the ultimate good of the Group and in the best interest of all stakeholders. The INEDs do not maintain any business or other relationships that could impair their ability to exercise objective judgement.

A.3 BOARD COMPOSITION AND DIVERSITY

The composition of the Board is reviewed at least once every financial year, to ensure that the Board brings to the Group a diverse range of experience, skills and expertise that complement the Group's strategies.

Board Composition as of 30 August 2024



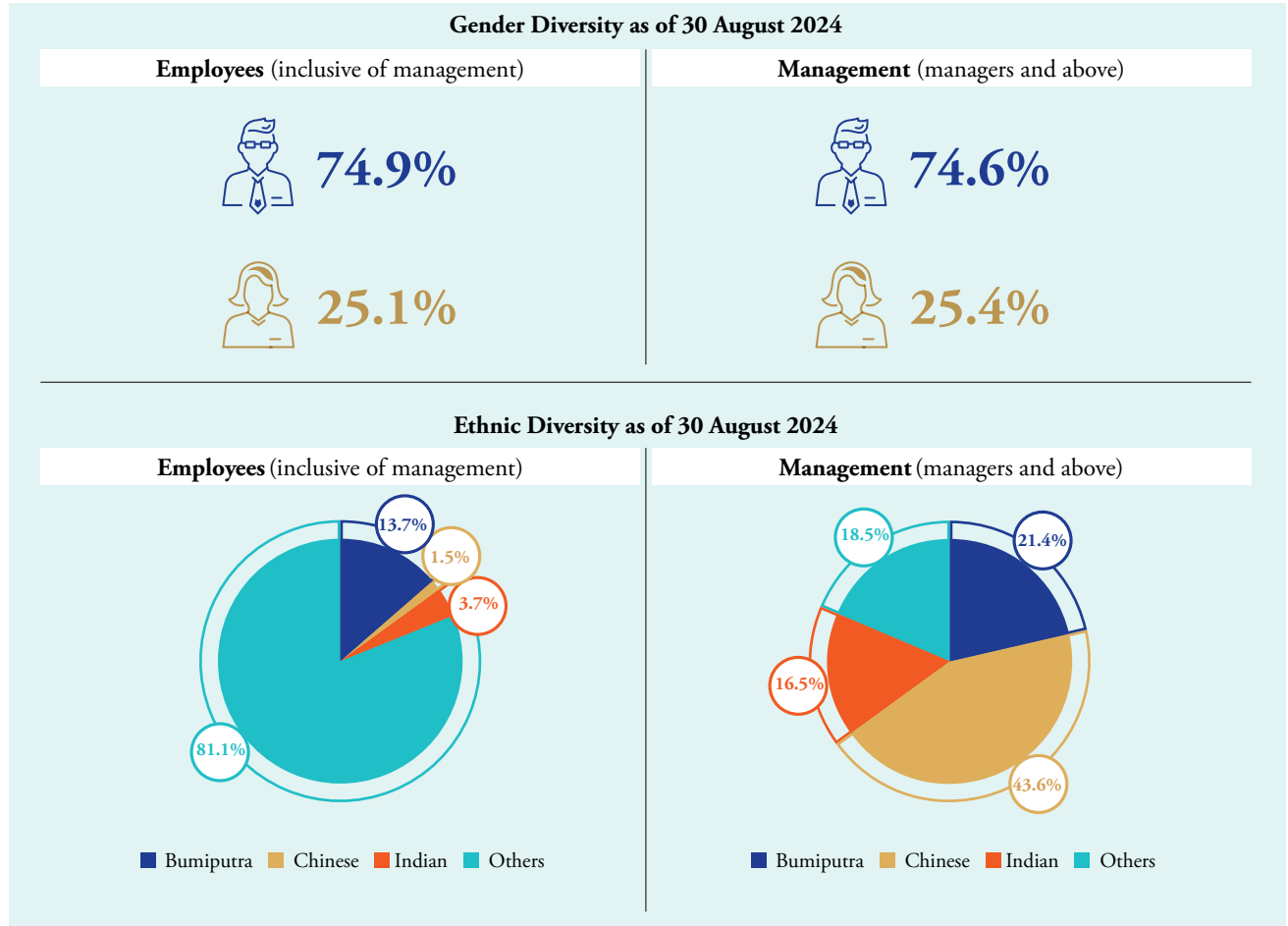
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Our Board Diversity Policy acknowledges and embraces the benefits of having a diverse Board, whereby all Board appointments are made based on merit and objective criteria within the context of the strategy of the Group. This includes diversity in terms of gender, social and ethnic backgrounds, cognitive and personal strengths, as well as skills, knowledge and experience required to enhance the Board’s effectiveness. We believe that a diverse leadership team is essential for sound decision-making, by virtue of the wider perspectives and views that each Director can bring into Board discussions.

Furthermore, the Board sets the tone for inclusion and diversity across the Group in line with IOI Core Values. Diversity is embedded in our Code of Business Conduct and Ethics and associated workforce policies, therefore fostering a culture of diversity, respect, and equal opportunity where every employee’s success, personal abilities and contributions

are given due recognition. We also strive to treat our employees with fairness, integrity, honesty, courtesy, consideration, respect, and dignity, irrespective of gender, race, nationality, age, or other forms of diversity.

Currently, the Group does not set any specific measurable objectives for achieving gender diversity at the senior management level. Nevertheless, we ensure that recruitment and management of employees are done based on each individual’s competence and performance, while respecting the unique attributes that each individual brings to the workplace. In our commitment to foster an inclusive and supportive culture that enables employees to develop their full potential, employees are given opportunities to develop their skills and experience by way of externally and internally organised training and mentoring programmes.



A.4 DIRECTOR APPOINTMENT AND INDUCTION

Appointments to the Board are made via a formal and transparent selection process, the flow chart of which is accessible through our website at <https://www.ioigroup.com/governance>.

The Board, through the GNRC, is guided by our Fit and Proper Policy which outlines the necessary criteria and processes for evaluation of candidates for appointment of new Directors to the Board. Generally, the following factors are taken into consideration when assessing the need for new Director appointment and the suitability of candidates:

- 01 Required skills, experience, characteristics and attributes, including but not limited to character and competency level
- 02 Current composition, diversity level, size, independence and performance of the Board and Board Committees
- 03 Time commitment required of the Directors, particularly if the Director sits on the boards of multiple companies
- 04 Performance evaluation of the Board, Board Committees and individual Directors
- 05 Board succession planning
- 06 The Group's operational context, including strategic goals and external environment
- 07 Relevant guidelines and legislations, as well as Board Charter and Terms of Reference

Every candidate for new Director appointments is subjected to a self-evaluation process to assess their fitness and propriety, including a declaration of conflict of interest, time commitment and financial standing. Where necessary, background checks covering previous employments, professional references, education history, criminal records and credit checks will be conducted (with the consent of the candidate) as part of the fitness and propriety assessment. The GNRC also interviews all candidates to facilitate the assessment of the candidates' readiness and ability to commit to their discharge of duties and responsibilities towards the Group.

The Board takes the time commitment of Directors seriously. Each Director must notify the Chairman of the GNRC prior to accepting a new appointment in another company outside of the Group, and the GNRC Chairman must notify the same to the Board.

Upon successful appointment of new Directors, induction programmes are arranged for the newly appointed Directors to familiarise themselves with all aspects of the Group's operations. The induction process includes, but is not limited to, estate and plant visits, briefings by the senior management on each business division, special sessions relating to areas of interest, and briefings by the Company Secretary on Board procedures, various governance-related matters, as well as Directors' legal obligations and responsibilities. New Directors may also request additional meetings with or information from the senior management in addition to the formal induction programmes. Site visits, being a key feature of the induction process, provide Directors with hands-on experience by directly observing our facilities and operations and via close interaction with the management, therefore allowing Directors to gain a deeper understanding and appreciation of the Group's activities.

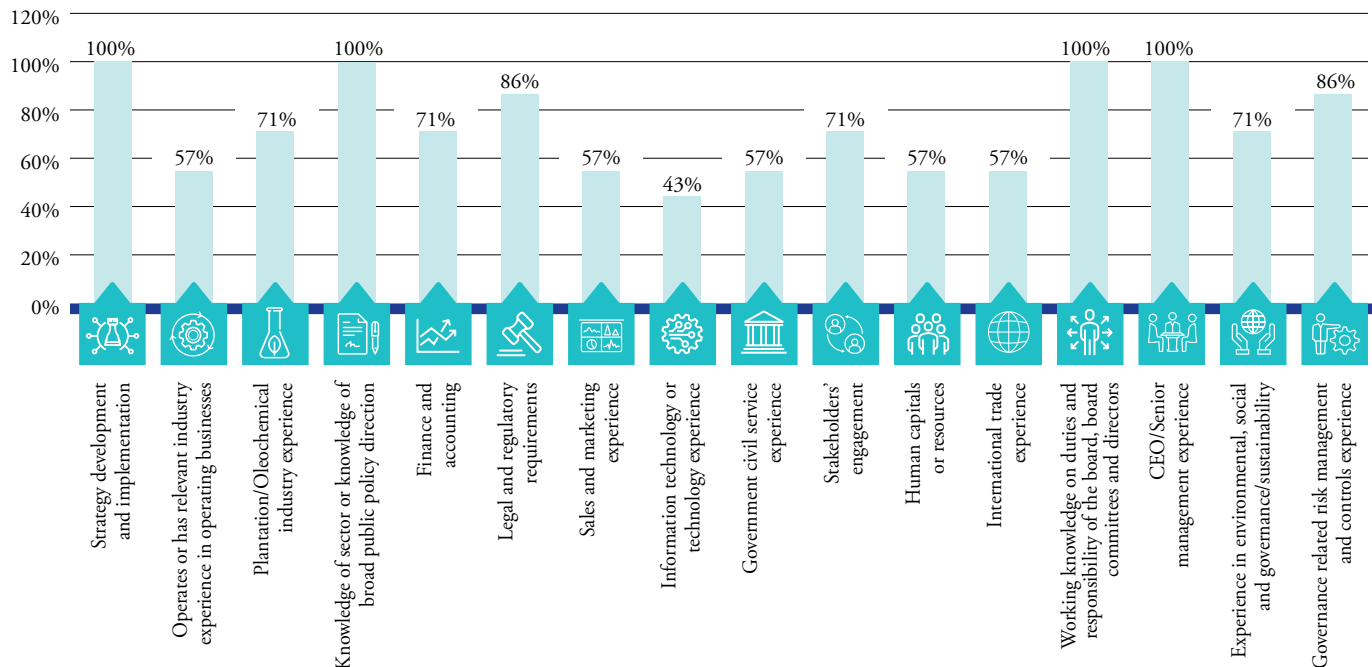
The activities of each subsidiary in the Group are overseen by its own board of directors. The Board's confidence in the subsidiaries' operations is rooted in the quality of each of the subsidiaries' directors and their commitment to the Group's objectives.

A.5 BOARD SKILLS MATRIX AND PROFESSIONAL DEVELOPMENT

The Board Skills Matrix is an important factor in our commitment to Board diversity. It facilitates Board succession planning and new Director selection process by enabling the Board, through the GNRC, to consider the core competencies, skills, knowledge and experience required for the Board to deliver its strategic objectives and govern the Group effectively.

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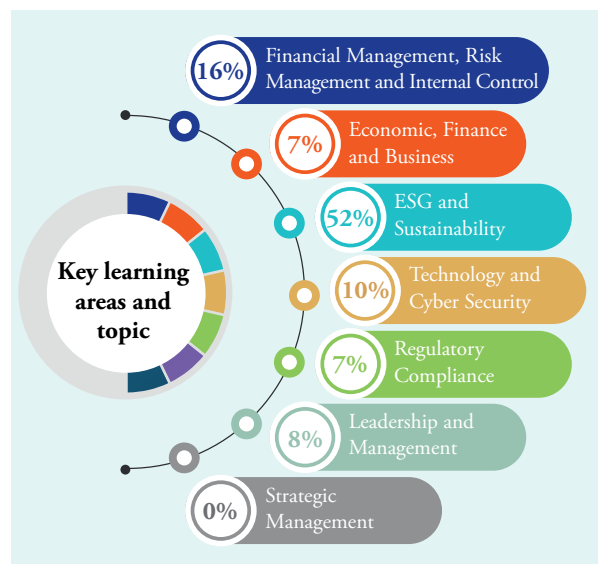
Each year, we undertake an assessment of the skills and experience of each Director and the combined capabilities of the Board (“Board Skills Matrix Assessment”). The Board Skills Matrix Assessment is conducted through self-rating questionnaires completed by each Director. The insights from our latest Board Skills Matrix Assessment are as depicted below:



The above results are a reflection of the Board's balance in terms of skills, experience and expertise in domains such as industry insider expertise, legal, risk management, financial accounting, economics, banking and government relations and sustainability. There is a strong alignment between the Directors' current skillsets and their responsibilities in the context of the Group. Upon evaluation of the results of the latest Board Skills Matrix Assessment, the Board is of the opinion that the current mix of skills, experience and expertise of Directors has enabled them to perform their responsibilities effectively and to contribute to robust Board discussions with their diverse views and perspectives.

All Directors have access to learning, development and training opportunities, whether internally or externally facilitated. The Directors participate in various training sessions, conferences, forums and seminars on their own initiative to address gaps in their knowledge and to receive updates on the latest industry developments and global trends. In addition, the Company Secretary identifies and recommends suitable programmes (including internal sessions organised by the management on specific topics) for the Directors based on their training needs. The Directors can also request specific training they deem necessary or useful.

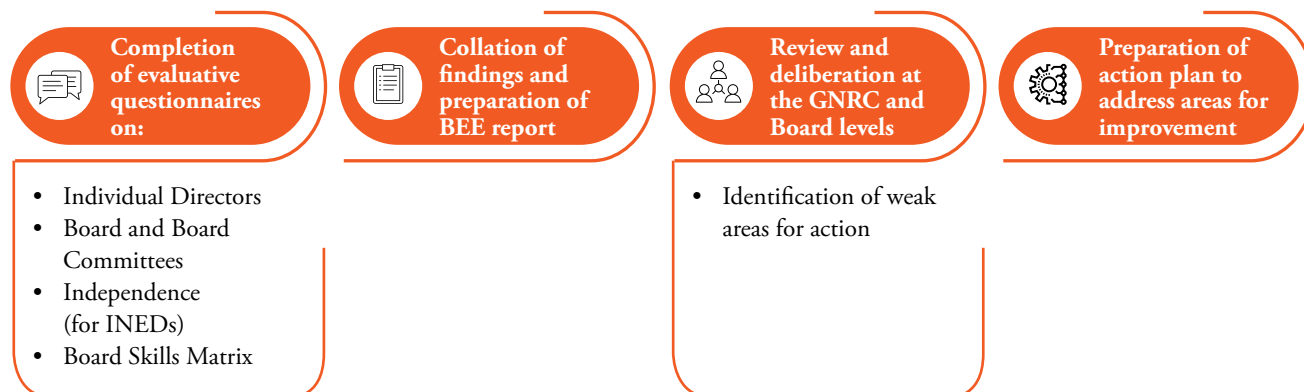
The key learning areas and topics for which the Directors had undergone training during FY2024 are depicted below:



The full list of training programmes attended by each Director during FY2024 is disclosed in our CG Report published on our website at <https://www.ioigroup.com/governance>.

A.6 BOARD EVALUATION

We conduct a Board effectiveness evaluation (“BEE”) on a yearly basis to assess the performance of the Board, Board Committees and individual Directors as to whether they have discharged their duties and responsibilities in line with their respective roles within our governance framework. Such BEE exercise is usually conducted internally, while appointing an independent facilitator every three (3) years to strengthen the independence and effectiveness of the BEE exercise. In general, the BEE exercise follows the process as depicted below:



The BEE exercise in respect of FY2024 commenced with the distribution of questionnaires to each Director covering the following scope and criteria:

Scope	Criteria
Individual Directors (Peer Evaluation)	<ul style="list-style-type: none"> • Contribution and Performance • Calibre and Personality • Board Chairman's Role
Board and Board Committees	<ul style="list-style-type: none"> • Board Mix and Composition • Quality of Information and Decision Making • Boardroom Activities • Board Committees' Assessment
ARMC	<ul style="list-style-type: none"> • Skills and Competencies • Meeting Administration and Conduct • ARMC Members' Peer Evaluation • Individual Financial Literacy (Self-Evaluation)
INEDs	<ul style="list-style-type: none"> • Independence Self-Assessment
Board Skills Matrix	<ul style="list-style-type: none"> • Strategy and Entrepreneurship • Industry Knowledge/Experience • Technical Skills/Experience • Governance Competencies

The responses were then collated for the Company Secretary to prepare the BEE report summarising the results of the BEE. The BEE report was then presented at the GNRC and Board levels where the Directors reviewed and provided feedback on the BEE findings and weak areas that require further improvement. Action plans were then developed to address the areas for improvement and further enhance the effectiveness of the Board and its Committees.

Based on the BEE results in respect of FY2024, the Board was satisfied that the Directors have been discharging their respective duties and responsibilities effectively, and that the Board as a whole and its Committees continue to function effectively in accordance with the Board Charter and the Terms of Reference of each Board Committee. The Board was also of the view that the other directorships held by the Directors do not give rise to any conflict of interest and hence, do not impair the Directors' ability to discharge their duties effectively. Each of the Directors had committed sufficient time to carry out their responsibilities effectively during FY2024.

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A.7 MEETING ATTENDANCE

Directors are expected to attend all Board and Board Committee meetings, unless there are exceptional circumstances such as pre-existing business or personal commitments. The meeting calendar is drawn up and tabled to the Board in advance to allow Directors to schedule their commitments and to facilitate the management's planning.

The table below shows each Director's attendance at the meetings of the Board and Board Committees in FY2024:

Members	Board	ARMC	GNRC	BSC
Number of meetings held in FY2024	7	6	3	2
Executive Director	7/7 (100%)	6/6 (100%)^	3/3 (100%)^	2/2 (100%)^
Dato' Lee Yeow Chor				
Non-Executive Directors				
Tan Sri Peter Chin Fah Kui ●	7/7 (100%)	-	-	-
Tan Sri Dr Rahamat Bivi binti Yusoff #	3/3 (100%)*	3/3 (100%)*	2/2 (100%)*	-
Dr Nesadurai Kalanithi ●	7/7 (100%)	3/3 (100%)	3/3 (100%)	2/2 (100%)
Dato' Kong Sooi Lin ●	7/7 (100%)	6/6 (100%)	-	1/2 (50%)
Cheah Tek Kuang	3/3 (100%)*	3/3 (100%)*	2/2 (100%)*	-
Lee Yeow Seng	6/7 (86%)	-	-	-
Lim Tuang Ooi	7/7 (100%)	6/6 (100%)	1/1 (100%)*	-
Datuk Zurinah binti Pawanteh ●	5/5 (100%)*	-	2/2 (100%)*	1/1 (100%)*

● Board/Board Committee Chairman

Chairman of the GNRC prior to her retirement from the Board on 27 October 2023

^ Attended by invitation in his capacity as GMD (if not a Board Committee member)

* Reflects the attendance and the number of meetings held during the period the Director held office

A.8 BOARD ACTIVITIES DURING FY2024





















The Board plans its agenda ahead of each financial year to ensure timely discussion of strategic, budget, sustainability, risk management and internal control, operational, financial performance and corporate governance matters during the Board meetings. The Board deliberations surrounding those topics were aimed at refining the execution of the Group's strategies, i.e. strengthening our position as an integrated plantation company, enhancing financial resilience, and delivering consistent returns through every business cycle. The long-term goals of the Group are also taken into consideration during such deliberations.

Since FY2022, the Board has held the annual Board Retreat for the purpose of providing input and suggestions to the management on the Group's Five (5)-Year Strategic Plans. In April 2024, the Board had a full-day engaging session with the management on the Group's long-term aspirations and strategic priorities for the next five (5) financial years, covering various business divisions.

The Board Charter, last revised in September 2022, continues to effectively clarify how the Board's constitutional powers and responsibilities are to be exercised. However, it will undergo a review during the planned externally facilitated BEE in FY2025. This review aims to ensure alignment with governance best practices, incorporating the latest amendments to the Terms of Reference for the respective Board Committees, as well as updates to governance policies such as the Related Party Transactions Policy and the Conflict of Interest Policy.





Key highlights of the Board's activities and priorities in FY2024 are summarised as follows:

Principal matters considered by the Board in FY2024

Strategic Matters	Governance, Assurance and Risk Management	Financial and Management Performance
<p>Oversight of the Group's performance and five (5)-year strategic priorities</p> 	<p>Review of year-end reports/statements such as CG Report, Sustainability Report, ARMC Report, Statement on Risk Management and Internal Control</p> 	<p>Quarterly results announcements</p> 
<p>Sustainability material matters, climate change action initiatives, net zero carbon emission targets, and compliance with European Union Deforestation Regulation</p> 	<p>Review of Circular to Shareholders and Share Buy-Back Statement</p> 	<p>New investments and capital expenditure approvals</p> 
<p>Board and management succession planning</p> 	<p>Internal annual BEE findings</p> 	<p>Annual budget, forecasts and key performance targets and indicators</p> 
<p>Dividend payout</p> 	<p>Cyber security key performance indicators ("KPIs")</p> 	<p>Group-wide operational efficiency</p> 
<p>Potential growth opportunities such as mergers and acquisitions and collaborations on projects</p> 	<p>Risk management and internal control reviews</p> 	<p>External auditors' audit findings on the Group's audited financial statements and approval thereof</p> 
<p>Ongoing digitalisation and mechanisation in the estates</p> 	<p>ESG data integrity, internal audit plan and performance updates</p> 	<p>Climate-related financial reporting, including adoption of the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards</p> 
<p>Variation of utilisation of proceeds</p>	<p>Establishment of new policies, i.e. Related Party Transactions Policy, Conflict of Interest Policy and Group Tax Governance Statement</p> 	
	<p>Policy amendments, i.e. Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering Policy, Gifts and Hospitality Guidelines, and Policies and Procedures to Assess the Suitability and Independence of External Auditors</p> 	

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Principal matters considered by the Board in FY2024 (continued)

Strategic Matters	Governance, Assurance and Risk Management	Financial and Management Performance
	Amendments to the Terms of Reference of ARMC and GNRC	
	Quarterly internal audit findings	
	GMD's remuneration package, including integration of sustainability/ESG metrics into bonus calculation 	
	Directors' remuneration and benefits 	
	Change of Board composition 	
	Re-constitution of Board Committees 	
	Legal and regulatory compliance including CG Code, the Companies Act and listed company obligations	
	Yearly conflict of interest review involving Directors and senior management	
	Alignment of the Group's tax governance practices with the Inland Revenue Board of Malaysia's Tax Corporate Governance Framework	
	Implementation of e-Invoicing	

Looking ahead to FY2025




























The Board's priorities for FY2025 include:

- Oversight on the new Five (5)-Year Strategic Plan 2025 - 2029
- Monitoring the external context, particularly in areas such as sustainability and technology
- Evaluation of organic growth strategies, mergers and acquisitions, and exploration of new business opportunities
- Review of the Board Charter of the Company

A.9 GNRC'S ACTIVITIES DURING FY2024

The GNRC's Terms of Reference, which are published on our website at <https://www.ioigroup.com/governance>, have been revised during FY2024 to provide more clarity on the objectives, functions, duties and proceedings of the GNRC, as well as to ensure consistency with the latest amendments to the Listing Requirements of Bursa Malaysia. Key highlights of the GNRC's FY2024 activities and priorities are summarised as follows:

GNRC Activities & Focus in FY2024

Strategic	Governance	Remuneration	Nomination
Oversight of the management succession planning, including the talent management system of the Group   	Review of independence of INEDs  	Review of GMD's remuneration package and linkage to ESG metrics 	Review and recommendation of Directors standing for re-election at Annual General Meeting ("AGM") 
Review of the composition of the Board and Board Committees and their dynamics  	Review of the findings of the internal annual BEE  	Review of Directors' remuneration and benefits for shareholders' approval 	Review and recommendation of appointment of new INED 
Re-constitution of Board Committees  	Board diversity  		
	Review of key executive performance evaluation  		
	Review of year-end governance reports      		
	Amendments to the Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering Policy, as well as Gifts and Hospitality Guidelines  		
	Amendments to the Terms of Reference of GNRC		

A key element of the GNRC's remit is to lead the process for Board appointments in line with an appropriate succession plan. The GNRC had defined a set of specific criteria for potential new Directors, in particular giving consideration to the skills, expertise, experience and industry knowledge. The GNRC shall also have regard to the potential new Directors' qualities of character, integrity, competence, time availability and commitment as per the Fit and Proper Policy. All Directors are expected to demonstrate the highest level of integrity, credibility, independence of judgement (in the case of INEDs), maturity, collegiality and commitment in discharging their duties and responsibilities.

As part of the Board's succession planning, the GNRC reviews the Board structure, size and diversity periodically and considers any proposed changes to the Board composition. For the purpose of enhancing Board diversity and composition while ensuring continuity of experience, the Company has since September 2022, set a maximum tenure of nine (9) consecutive years for INEDs. As at 30 August 2024, the Board has 43% female representation and the Board will endeavour to maintain a minimum of 30% women as members of the Board. At the same time, the Board acknowledges that other forms of diversity such as professional backgrounds, diverse nationality and ethnic diversity should be given proper consideration as well.

The BEE results in respect of FY2024 have shown that there is effective discharge of duties and responsibilities by each Director, the Board as a whole and its Committees. The Board continues to have the appropriate mix of skills, knowledge and experience to oversee the effective delivery of the Group's strategies.

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Directors' Remuneration

The Company has in place a remuneration policy and procedures for Directors and senior management which sets out an overarching framework for the development of a fair and transparent framework for the remuneration of Directors and senior management. As set out in the GNRC's Terms of Reference, the GNRC is responsible for (i) assisting the Board in determining the policy and structure for the remuneration of Non-Executive Directors, and (ii) recommending for the Board's approval the remuneration of Executive Director(s) and key senior management of the Group in all its forms, drawing from outside advice as necessary.

Each of the Directors receives a fixed base Director's fee and a meeting allowance for each Board, Board Committee, and general meeting they attend. The fee structure is benchmarked against industry practices to ensure that each Director is appropriately compensated based on the time commitment required and their level of contribution to the Group.

In September 2024, the GNRC proposed an adjustment to the fee structure, which has remained unchanged since 2019 for the overall fee structure and 2022 for the Board Chairman's fee, despite the Board's expanding responsibilities. With the increasing complexity of governance standards and the evolving regulatory landscape, the Directors are dedicating more time, commitment, and expertise to ensure the continued oversight and strategic guidance that drive the Group's growth and sustainability. Furthermore, this adjustment aligns with market benchmarks and ensures we remain competitive in attracting and retaining highly qualified Directors. The GNRC believes that this review is both timely and necessary to maintain the level of governance expected by our stakeholders.

The Board, upon the GNRC's recommendation, has approved the updated fee structure payable to the Company's Directors, which will take effect from FY2025 onwards, pending shareholders' approval. A comparison of the previous and updated fee structures is shown below:

	Before 30 June 2024 Per Annum RM	After 30 June 2024 Per Annum RM
Board of Directors		
– Base fee (for all Directors excluding Chairman)	130,000	150,000
– Chairman's fee	275,000	350,000
Audit and Risk Management Committee		
– ARMC Chairman's fee	50,000	70,000
– ARMC Member's fee	35,000	50,000

	Before 30 June 2024 Per Annum RM	After 30 June 2024 Per Annum RM
Governance, Nominating and Remuneration Committee		
– GNRC Chairman's fee	30,000	40,000
– GNRC Member's fee	20,000	30,000
Board Sustainability Committee		
– BSC Chairman's fee	30,000	40,000
– BSC Member's fee	20,000	30,000

The breakdown of FY2024 remuneration of each Director of the Company, including payments received or receivable from the Company and its subsidiaries in respect of FY2024, is disclosed in our CG Report under Practice 8.1 of the CG Code. The meeting allowance payable to each Director per Board and Board Committee meeting is RM1,500.

With effect from FY2025, the bonus component of GMD's remuneration is linked to sustainability/ESG metrics, more specifically the achievement of the Group's sustainability ratings as assessed by third-party agencies such as S&P Global Corporate Sustainability Assessment/ Dow Jones Sustainability Indices, Carbon Disclosure Project, FTSE4Good, Sustainalytics and SPOTT. Such sustainability/ESG metrics are externally evaluated by reputable rating agencies based on published methodologies, therefore ensuring transparency, credibility and objectivity in the assessment of the GMD's KPIs.

As for senior management's remuneration, performance targets relating to greenhouse gas reduction and ESG ratings have been incorporated into the senior management's KPIs to drive our sustainability/ESG efforts.

Looking ahead to FY2025

The GNRC will continue to focus on:

- Monitoring management succession and development plans to build the long-term talent pipeline
- Reviewing external independent BEE findings and recommendations
- Monitoring governance trends and amendments to the Listing Requirements of Bursa Malaysia
- Monitoring Board succession plan, and the skills and experiences of Board members to ensure that the Board is equipped to advance the Group's strategy and performance.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

B.1 FINANCIAL REPORTING

The Board is assisted by the ARMC and relies on information provided by the management in assessing the completeness and accuracy of the Group's financial statements and related disclosures. The ARMC leverages their financial knowledge and commercial experience in overseeing, monitoring and assessing the reliability and quality of the Group's financial statements, financial risk management processes, financial reporting practices and internal control systems. The support provided by the ARMC enables the Board to discharge its fiduciary duties and present to shareholders a clear, balanced and meaningful evaluation of the Group's financial position, performance and prospects.

The integrity of the Group's periodic corporate reports is underpinned by structures and processes within the Group functions that support analytical review of financial reporting and non-financial metrics, validation of information and the maintenance of proper records. The Company's external auditor, BDO PLT, provides independent and objective assurance on the Group's financial statements.

The ARMC Report in this Annual Report contain further details on the activities of the Board and ARMC in terms of the Group's financial reporting process.

Directors' Responsibility for Preparing the Annual Audited Financial Statements

The Board is required by the Companies Act 2016 (the "Act") to prepare or cause to be prepared yearly financial statements which give a true and fair view of the Group and of the Company's state of affairs, results and cash flows. The Directors are of the opinion that the Group uses appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates, and that the financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, the provisions of the Act and the Listing Requirements of Bursa Malaysia.

The Directors are also satisfied that the Group maintains reasonably accurate accounting records which provide a true and fair view of the financial position of the Group and of the Company. They have also taken the necessary steps to ensure that appropriate systems and controls are in place to safeguard the assets of the Group, as well as to detect and prevent fraud and other irregularities. The internal control system, by its nature, can only provide reasonable and not absolute assurance against material misstatements, losses and fraud.

B.2 RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining a robust internal control and risk management system that provides reasonable assurance that operations remain effective and efficient and that laws, regulations, internal procedures and guidelines are duly complied with across all segments of the Group. The ARMC supports the Board by overseeing the Group's ERM Framework and regularly evaluating its adequacy and effectiveness.

The Board conducts half-yearly reviews of the effectiveness of the Group's controls, risk management and high-level internal control processes. During such reviews, the Board received periodic reports from the Head of Group Internal Audit, Group Insurance and Risk Management Senior Manager, as well as the external auditor. Both the external and internal auditors have unrestricted access to all departments, records and systems of the Group as and when necessary to undertake their activities.

The Group's ERM Framework also facilitates identification, measurement, monitoring and reporting of sustainability/ESG risks and opportunities. The Board is aided by the ARMC, BSC, Group Sustainability Steering Committee and divisional Risk Management Committees in overseeing key aspects of sustainability/ESG risks, including climate and human rights violation risks. Regular updates on sustainability risks and opportunities are provided to the BSC, ARMC and Board accordingly. Our Climate Change Action initiative is aligned with the Task Force on Climate-Related Financial Disclosures recommendations. We are also progressively enhancing our sustainability disclosures in preparing for the adoption of IFRS Sustainability Standards which include IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. More details on sustainability risk management can be found in our Sustainability Report which is available on our website at <https://www.ioigroup.com/investor-relations/reports>.

Based on the Board's evaluation in respect of FY2024, the Group's system of internal control and risk management remain sound and comprehensive, sufficient to mitigate risks, facilitate the attainment of the Group's objectives, and safeguard the Group's assets, shareholders' investments and stakeholders' interests. More details on the Group's ERM Framework and associated activities can be found in the ARMC Report and Statement on Risk Management and Internal Control in this Annual Report.

B.3 ANTI-BRIBERY AND CORRUPTION

Our IOI Core Values drive our behaviour, culture and conduct within the Group. We have a zero-tolerance approach towards misconduct of any kind and will take disciplinary action, up to and including dismissal, in the event of a breach of any provision in our Business Ethics, Compliance, Anti-Corruption and Anti-Money Laundering Policy (the "Policy"). This Policy was last updated in April 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board, through the ARMC, assumes overall responsibility for monitoring, managing and mitigating bribery and corruption risk. Our Group Legal Counsel, supported by a Compliance Officer, oversees the overall implementation of the Policy. The management has also established a Group Integrity Committee with the GMD as its chair and certain senior management personnel as its members, for the purpose of reviewing and promoting compliance with the Policy throughout the Group.

B.4 TAX GOVERNANCE

We are committed to complying with applicable tax laws and regulations across the countries and territories in which we operate. In September 2023, the Company adopted the Group Tax Governance Statement to create a structural approach for us to adjust to constantly evolving tax laws and regulations. The Group CFO is responsible for oversight of tax governance, with support from the Head of Group Tax. We take a low-tolerance approach towards tax compliance risk.

B.5 WHISTLEBLOWING

The Company's Whistleblowing Policy provides an avenue for all employees, agents, vendors, contractors, suppliers, consultants and customers of the Group and members of the public to raise concerns about any improper conduct within the Group. The Whistleblowing Policy also offers protection for all whistleblowers by ensuring anonymity and confidentiality of their identities, as well as assurance against reprisal or retaliation, and immunity from disciplinary action.

In line with the Whistleblowing Policy, the Group's employees are strongly encouraged to raise genuine concerns, through appropriate channels, about suspected or actual violations of the Group's Code of Business Conduct and Ethics, improprieties in financial reporting matters, non-compliance with laws and regulations, non-compliance with the Group's policies and procedures, as well as any improper conduct or other malpractices within the Group.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

C.1 STAKEHOLDER ENGAGEMENT

We recognise the importance of listening to and understanding the views of our stakeholders, who are instrumental in ensuring long-term sustainability of the Group. The views of stakeholders have been a key consideration in papers presented to the Board and its Committees and during boardroom discussions, thus influencing strategic planning and decision-making.

The Board ensures that the management handles engagements with the Company's stakeholders in a prudent manner in order to maintain strong and mutually beneficial relationships. Based on the influence of each stakeholder group on our business and their impact on our operations and organisational strategy, the management devises various engagement strategies catering to shareholders, investors, communities, non-profit organisations ("NGOs"), employees, regulators, suppliers, contractors and customers. Engagement initiatives such as direct meetings, workshops and dialogues with communities are conducted throughout the year to learn about their needs and to develop actions to meet those needs. Our stakeholders and NGOs actively engage with our GMD, Chief Sustainability Officer, stakeholder engagement team and Director of Commodity Marketing.

In FY2024, we had conducted surveys to evaluate engagement and pinpoint any areas needing attention. The data collected is meticulously analysed to identify trends over time and gauge the effectiveness of initiatives implemented in response to survey feedback. Our employee engagement remains robust, with a record participation rate of 89% and an engagement score of 70%.

More details on our stakeholder engagement activities can be found in the Stakeholders' Engagement section on pages 46 to 47 of this Annual Report, as well as in our Sustainability Report which is available on our website at <https://www.ioigroup.com/investor-relations/reports>.

C.2 COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Our disclosure practices are guided by the CG Code as well as the Listing Requirements of Bursa Malaysia. In line with our Media Disclosure Policy published on our website at www.ioigroup.com/governance, we strive to ensure that all communications to the public, including Bursa Malaysia announcements and our press releases, are timely, factual, accurate and complete, while being mindful of the restrictions governing release of material and price-sensitive information. Our corporate website, www.ioigroup.com, serves as a main platform for our shareholders, investors, stakeholders and the public to access information regarding our Group, especially our financial results, Bursa Malaysia announcements, latest news and highlights, as well as sustainability initiatives and updates.

Our Investor Relations team, led by the Head of Group Strategy, acts as the main point of contact for investors throughout the year. Frequent discussions are held with shareholders, analysts and other investors on a range of issues.

Electronic Communication

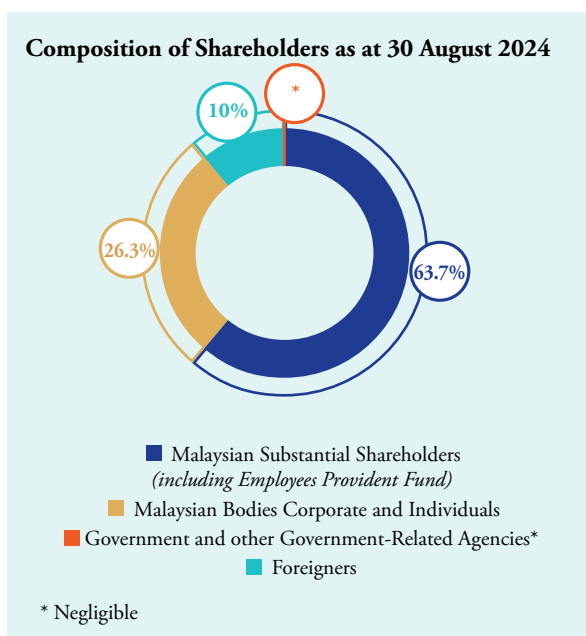
The Company had been authorised by shareholders to publish documents or notifications relating to shareholder communications (such as the Notice of AGM and the Annual Report and Sustainability Report) electronically

on our corporate website, in lieu of sending paper copies to shareholders (unless upon request). While recognising that some shareholders may have different preferences about how they receive information from us, we will continue to promote the benefits of electronic communication given its advantages over traditional paper-based communications, both in terms of the configurability and accessibility of the information provided and the consequent cost savings and reduction in environmental impact.

We communicate formally with our shareholders at least six (6) times a year through the following main channels:

- Quarterly and full-year results announcements;
- Dividend declarations; and
- AGM.

As at 30 August 2024, approximately 67% of shareholders were registered to receive notices electronically. Our composition of shareholders is based on the Record of Depositors as at 30 August 2024 was as follows:



Annual General Meetings

We encourage shareholders to participate in the AGM and pose questions to the Chairman and the Board. We provide clear and informative meeting notices and other communications, and all our meeting materials are available on our website.

Our 54th AGM held on 27 October 2023 was conducted in a hybrid manner, therefore providing our shareholders with more avenues to exercise their rights to participate, speak (whether in person or via submission of typed texts via the meeting platform) and vote at the 54th AGM. Although Mr Lee Yeow Seng, who is a Non-Executive Non-Independent Director, was unable to attend the 54th AGM due to his work commitments, all the other Directors were in full attendance. The minutes and webcast of the 54th AGM, along with the webcast and responses to queries posed by the Minority Shareholders Watch Group were published on our website at <https://www.ioigroup.com/governance/shareholders-information> in a timely manner.

This Statement was approved by the Board on 11 September 2024.