



# **KUMPULAN PERANGSANG SELANGOR BERHAD**

(Registration No. 197501002218 / 23737-K)

## **BOARD DIVERSITY POLICY**

(version 3/2022)

APPROVED BY BOARD

26 August 2022

This Policy is applicable to Kumpulan Perangsang Selangor Board

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## **1.0 INTRODUCTION**

The Board of Directors (“the Board”) is mindful of diversity being an important element in maintaining its competitive advantage in the areas of skills & expertise (competencies), experience, gender, age, ethnicity and independence to ensure a balanced and effective decision-making process. In this regard, the Board embraces initiatives that encourage greater diversity throughout the organization and in the Boardroom, including gender diversity which has been the topic of global discussion.

### **1.1 Scope**

The Board Diversity Policy (“BD Policy” or “Policy”) is applicable to the Board of Directors (“Board” or “Directors”) of Kumpulan Perangsang Berhad (“KPS” or “Company”).

### **1.2 Responsibility**

- i) Secretarial Department (“SD”) is responsible for developing and maintaining the BD Policy, including any reviews, changes, amendments, additions or deleting any provisions to the Policy.
- ii) The Nomination and Remuneration Committee (“NRC”) will be responsible for reviewing and thereafter recommending to the Board for approval on any proposed changes, amendments, additions, or deletions of any provision of the Policy.
- iii) Upon recommendation by the NRC, the Board shall deliberate, review and concur with the NRC's recommendation on any proposed changes, amendments, additions, or deletions of any provision to the Policy for KPS.

### **1.3 Approving Authority**

The Board of KPS is the approving authority of the Policy.

#### **1.4 Date of Implementation**

This Policy is effective immediately upon approval by the KPS Board.

#### **1.5 Frequency of Review**

The BD Policy will be reviewed by SD every three (3) years at the minimum to ensure it remains relevant and aligned with the current prevailing laws and regulatory requirements.

#### **1.6 Reference**

The Policy is to be read in conjunction with all the relevant policies at the respective entity within the KPS, procedural documents and other external guidelines, but not limited to the following:

- i) Companies Act 2016 (“CA2016”);
- ii) Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”);
- iii) Malaysian Code on Corporate Governance (“MCCG”);
- iv) Bursa Malaysia Corporate Governance Guide 4<sup>th</sup> Edition (“Bursa CG Guide”);
- v) KPS Constitution;
- vi) KPS Board Charter; and
- vii) KPS Financial Authority Limits (“FAL”).

#### **1.7 Definition**

The key terms and acronyms appeared in the Policy shall be defined as per **Appendix 1** of this Policy.

## **2.0 OBJECTIVES**

- i) The BD Policy sets out the approach to diversity in the Board composition of KPS.
  
- ii) The Policy guides the NRC/Board in reviewing the Board composition or in identifying suitable candidates for new appointment of Director based on merit against objective criteria with due consideration of the benefits of all aspects of diversity including, but not limited to the following, to enable the Board to discharge its duties and responsibilities effectively:
  - a) Skill, Competencies and Experience;
  - b) Gender;
  - c) Age;
  - d) Ethnicity; and
  - e) Independence.

## **3.0 STATEMENT OF POLICY**

- i) KPS recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage.
  
- ii) A truly diverse Board will include and make good use of differences in the skills, expertise, experience, gender, age, ethnicity, independence, and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

#### **4.0 GUIDING PRINCIPLES**

Given the above, the following elements of diversity will be considered by the NRC/Board in determining the optimum composition of the KPS Board:

a) Skills, experience and expertise

- The current Board Skills Matrix will be used as guidance in identifying potential candidates to meet desired board composition considering the Company's current main operating business segment, risk profile and strategies.
- A broad spectrum of skills, experience and expertise provides the strength needed to lead the Company to meet its strategic objectives and enable the Company to rest in the firm control of an accountable and competent Board.

b) Gender diversity

- The Company appreciates the benefits of having gender diversity in the boardroom, which could offer different viewpoints, ideas and market insights, enabling better problem solving to gain a competitive advantage in serving an increasingly diverse customer base than the boardroom dominated by one gender.
- The Company does not set any specific target for female directors on the Board. To uphold its gender diversity commitment, the Company has included women directors on the Board since April 2018.

- The Company shall provide a suitable working environment free from harassment and discrimination to attract and retain women on the Board.

c) Age diversity

- The Board acknowledges the benefits of diversity in the boardroom regarding age demographics, which would create professional environments rich with experience and maturity and as youthful exuberance. The Board with a wide range of ages, has the advantage of creating a dynamic, multi-generational workforce with diverse skill sets that are beneficial to the Company.
- The Company does not set any specific target for the boardroom age diversity but will actively work towards having appropriate age diversity on the Board.
- The Company does not fix an age limit for its Directors, given that such Directors usually are reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company.

d) Ethnic diversity

- The Board recognises that as business becomes increasingly global in its outlook and as the marketplace becomes increasingly global, ethnic diversity in the boardroom would be encouraged as it provides advantages that can help a company prosper, inclusive but not limited to sharing of knowledge in different markets where the Group is operating to enhance the Group's global presence. In addition, sharing

of viewpoints by Directors from diverse ethnic background as when a variety of views are thrown into the problem-solving mix, new and innovative solutions can be reached.

- The Company does not set any specific target for ethnic diversity in the boardroom but will actively work towards having appropriate ethnic diversity on the Board.

e) Independence diversity

- The Board is committed to ensuring that the Board composition in compliance with Paragraph 15.02 of the MMLR of Bursa Securities, which stipulates that 1/3 of the Board members are Independent Non-Executive Director (“INED”) and Practice 5.2 of the MCCG which stated that at least half of the Board are INEDs.
- To uphold the above, the Board has an Independent Director Tenure Policy which limits the tenure of INEDs to nine (9) years without further extension in line with Step Up Practice 5.4 of the MCCG.

## **5.0 COMPLIANCE**

Pursuant to paragraph 15.08A(3)(a) of the MMLR of Bursa Securities and Practice 5.10 of the MCCG, the Company must provide in its Annual Report a Statement/Introduction on the Diversity Policy of the Company.

## **6.0 EXCEPTION**

Any exception from this Policy shall require the approval of the Board unless they are deemed as operational in nature.



<b>Document Version Control</b>		
<b>Document Version/Revision</b>	<b>Approved by</b>	<b>Effective Date</b>
Establishment	KPS Board of Directors' Meeting held on 28 April 2015	28 April 2015
Version 1	KPS Board of Directors' Meeting held on 30 May 2019	30 May 2019
Version 2	KPS Board of Directors' Meeting held on 26 August 2022	26 August 2022

**APPENDIX 1**

**DEFINITION**

<b>Terms</b>	<b>Definition</b>
<b>Board or Directors</b>	means Board of Directors of KPS
<b>NRC</b>	means Nomination and Remuneration Committee of KPS
<b>Bursa Securities</b>	means Bursa Malaysia Securities Berhad
<b>CCM</b>	means Companies Commission of Malaysia
<b>CA2016</b>	means Companies Act 2016
<b>BD Policy or Policy</b>	means Board Diversity Policy
<b>Director</b>	<p>has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon:</p> <p>a) Director of the listed issuer, its subsidiary or holding company; or</p> <p>b) a Chief Executive of the listed issuer, its subsidiary or holding company.</p> <p>and pursuant to Section 210 of the CA2016 states that in addition to the definition of "director" in Section 2 of the CA2016, "director" includes chief executive officer, chief financial officer, chief operating officer or any other person primarily responsible for the management of the company</p>
<b>KPS or Company</b>	means Kumpulan Perangsang Selangor Berhad
<b>KPS Group or Group</b>	means KPS and its subsidiary companies collectively, as defined in Section 4 of the CA2016
<b>MMLR</b>	means Main Market Listing Requirements of Bursa Securities
<b>MCCG</b>	means Malaysian Code on Corporate Governance 2021
<b>SD</b>	means Secretarial Department of KPS