



KUMPULAN PERANGSANG SELANGOR BERHAD

(23737-K)

**BOARD DIVERSITY POLICY
VERSION 2/2019**

APPROVED BY BOARD

30 MAY 2019

This policy is applicable to Perangsang Selangor Board.

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Purpose

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Board of Directors ("Board") of Kumpulan Perangsang Selangor Berhad ("Perangsang Selangor").

Scope of Application

The Policy applies to the Perangsang Selangor Board. It does not apply to diversity in relation to employees of the Perangsang Selangor Group, which is covered by Workforce Diversity Policy.

Definition

Diversity in boardroom can be broadly categorised into the following elements:

- Skills, expertise and experience;
- Gender;
- Age;
- Ethnicity; and
- Independence

Policy Statement

1. Perangsang Selangor 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. 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.
2. The Nomination and Remuneration Committee ("NRC") will be responsible to review and assess the Board composition on behalf of the Board and recommends appointments or re-elections to the Board. The NRC also oversees the conduct of the annual review of Board effectiveness.
3. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the NRC will consider candidates based on merit against objective criteria with due consideration of the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

Measurable Objectives

The NRC will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

The Board would take into consideration the following measures:

- i) Skills, experience and expertise
 - The current Board Skills Matrix will be used as a guidance in identifying potential candidates to meet desired board composition taking into consideration of the Company's current main operating business segment, risk profile and strategies of the Company.

- Wide spectrum of skills, experience and expertise provides the strength that is 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.

ii) Gender diversity

- The Company appreciates the benefits of having gender diversity in the boardroom which could offer different viewpoints, ideas and market insights which enables better problem solving to gain competitive advantage in serving an increasingly diverse customer base than the boardroom that dominated by one gender.
- The Company does not set any specific target for female directors in the Board. To uphold its gender diversity commitment, the Company has included women directors in the Board since April 2018.
- The Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation on the Board.

iii) Age diversity

- The Board acknowledges the benefits of having a diversity in the boardroom in terms of age demographics, which would create professional environments that are rich with experience and maturity as well as youthful exuberance. The Board with a wide range of age has the advantage of creating a dynamic, multi-generational workforce with a diverse range of 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 in the Board.
- The Company does not fix age limit for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company.

iv) Ethnic diversity

- The Board recognises that as today's world becomes increasingly global in its outlook and as the marketplace becomes increasingly global in nature, 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 as well as sharing of viewpoints by Directors from different ethnic background as when a variety of viewpoints 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 in the Board.

v) Independence diversity

- The Board is committed in ensuring that the Board Composition is in compliance with Paragraph 15.02 of Bursa Malaysia Main Market Listing Requirements (“MMLR”) which stipulates that 1/3 of the Board members are Independent Non-Executive (“INED”) and Practice 4.1 of MCCG which stated that at least half of the board are INED.
- To uphold the above, the Board has in place an Independent Director Tenure Policy which limits the tenure of INEDs to nine (9) years in line with Practice 4.2 of the MCCG. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director (“NID”), subject to the NRC’s rigorous review and recommendation for the Board to retain and re-designate the affected director(s) as NID.

Responsibility, Monitoring and Reporting

The NRC is responsible in ensuring that boardroom diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.

Besides that, the Company Secretary is responsible to monitor the relevance and adequacy of this policy taking into consideration Perangsang Selangor Group’s operations and changes in the prevailing rules/regulations/laws.

A summary of this policy will be disclosed in the Statement Annual Report of the Company as required under Paragraph 15.08A(30(a) of Bursa Malaysia MMLR.

Review of the Policy

The Policy shall be reviewed once of every three (3) years, at a minimum to ensure it remains relevant and aligned with the material changes in the business, risk profiles and strategies of Perangsang Selangor as well as current prevailing rules/regulations/laws.

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