

KOTRA INDUSTRIES BERHAD
[Company No. 199901022732 (497632-P)]

BOARD DIVERSITY POLICY

Purpose

The Board Diversity Policy (“Policy”) sets out the approach to diversity on the Board of Directors (“Board”) of Kotra Industries Berhad (“Company” or “Kotra”). This Policy has been prepared in the context of the Company’s strategic approach to diversity and it is aligned with the achievement of the Company’s corporate objectives.

Scope of application

The Policy applies solely to the Board and does not extend to cover diversity in the Company’s recruitment practices of non-Board personnel.

Policy statement

Building a diverse and inclusive culture is integral to the success of the Company and its subsidiaries (“Group”). An inclusive culture helps us respond to the Group’s diverse customer base.

The Board affirms its commitment to Board diversity, where a truly diversified Board can enhance its effectiveness, creativity and capacity to thrive in good times and weather tough times. The Board works to ensure there is no discrimination and make good use of differences in skills, industry experience, background, ethnicity, age, gender, education and other qualities. These differences shall be considered in determining the composition of the Board and whenever possible, shall be balanced appropriately. For this purpose and in line with Paragraph 15.02 of the Main Market Listing Requirements, the Board shall comprise at least a woman Director at any time to address gender diversity.

The Policy is aligned with the Company’s vision, mission and core values. Kotra’s strategic intent for Board diversity is the attraction, motivation, retention and development of a diverse team of skilled personnel who is increasingly engaged towards delivering the Group’s strategies and meeting its objectives. The Policy is centred on the following initiatives:

- identifying and balancing the different skills and industry experiences, backgrounds, age and gender of Directors;
- appointing or retaining Directors based on merit, in the context of skills, time commitment, experience and performance, in order for the Board to be effective – in this context, the Board does not prescribe any quantitative targets on gender, age and ethnicity diversity to be met;
- providing a conducive environment for the views of Board members to be heard, their concerns attended to, where bias, discrimination or harassment on any matter is not condoned; and
- the Nomination Committee (“NC”) to review and assess the Board’s composition and make recommendations to the Board on the appointment of new Directors, including the re-election of Directors who are retiring by rotation.

The NC is tasked with the following responsibilities:

- a. to take into consideration the benefits that flow from diversity and to appoint candidates based on merit and without prejudice, when reviewing the Board's composition;
- b. to consider the balance of skills, experience, independence, knowledge and the diversity of representation of the Board, as part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors; and
- c. to implement the Policy and to monitor progress towards the achievement of these objectives.

Measurable objectives

On an annual basis, the NC shall discuss the implementation of this Policy and recommend measures, if any, on its implementation to the Board for adoption.

Monitoring and reporting

Disclosure shall be made in the Corporate Governance Overview Statement, for inclusion in the Company's Annual Report, and the Corporate Governance Report for submission to Bursa Securities.

The Annual Report shall include a summary of this Policy in line with the Principles and Practices of the Malaysian Code on Corporate Governance issued by Securities Commission Malaysia.

Administrative matters

On an annual basis, the NC shall review and assess the relevance and effectiveness of this Policy. Any requirement for amendment shall be deliberated upon by the NC and any recommendations for revisions shall be highlighted and proposed for the Board's consideration and approval, as the case may be.

This Policy shall be maintained as an integral component of the Company's corporate governance practices and kept in custody of the Company Secretary.

END OF DOCUMENT
