

**MESTRON HOLDINGS BERHAD**  
**[Registration No. 201801018716 (1280732-K)]**  
**(Incorporated in Malaysia)**

**GENDER DIVERSITY POLICY**

**1. Purpose/Objectives**

Board Diversity is an essential measure of good governance, is a critical attribute of a well-functioning board and contributing to the sustainable development of the Company. It enhances decision-making capability and a diverse board is more effective in dealing with organisational changes.

This Policy provides a framework for the Group to achieve:

- (a) a diverse and skilled workforce, leading to continuous improvement and achievement of corporate goals;
- (b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- (c) improved employment and career development opportunities for women;
- (d) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- (e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity

**2. Policy Statement**

- (i) The Company recognises the benefits of diversity and views diversity in the Board as a means of obtaining diverse perspective required to support the execution of its business strategy and so as to enable it to discharge its duties and responsibilities effectively. A truly diverse Board promotes the inclusion of differences in skills, regional and industry experiences, background, race, gender and other qualities and ensures that the Company has the opportunity to benefit from all available talent. These differences will be considered in determining the optimum composition of the Board and to achieve balance.
- (ii) All Board appointments or re-election to the Board are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective and does not discriminate on the grounds of race, gender, disability, ethnicity, religious or philosophical belief, age, sexual orientation, family status, cultural background, communication styles, linguistic skills, educational background, functional expertise or any other factors the Board considers relevant or applicable. The Board believes that such merit-based appointments best enable the Company to serve its customers, shareholders and other stakeholders.
- (iii) The Company's strategic intent for board diversity is the attraction, retention and development of a diverse team of skilled people towards the delivering of the Company's strategy.

**3. Board's Responsibility**

- (i) To support the workplace diversity, with a particular focus on supporting the representation of women in the composition of Board and Management of the Company.

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- (ii) The Board, assisted by Management, is responsible for developing strategies to meet the objectives of the Gender Diversity Policy, and monitoring the progress of achieving the objectives.
- (iii) The Board through Nomination Committee (“the NC”) will conduct reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. In carrying out this duty the NC will give due consideration to this Policy as well as the best practices advocated under the Malaysian Code on Corporate Governance.
- (iv) The NC also oversees the conduct of the annual review of Board effectiveness. As part of the annual assessment on the effectiveness of the Board, Board Committees and individual directors, the NC will consider the balance of skills, experience, independence and knowledge of the directors, the diversity representation of the Board and how the Board works together as a unit.
- (v) The Board as a whole is responsible in ensuring that gender diversity objectives are adopted in Board recruitment and succession planning for the directors of the Company inclusive of the Chairman of the Board and the Managing Director.
- (vi) The Company shall adopt a more accommodating boardroom culture and environment that is free from harassments and discriminations, in order to attract and retain women participation on the Board.
- (vii) To avoid mismatch and ineffective appointment of the female Directors, the Company does not set any specific target for female Directors in the Gender Diversity Policy and will actively work towards having more female Directors on the Board.

**3. Monitoring and Reporting**

The diversity targets and measures will be assessed regularly and the progress should be monitored to determine if they are effective. Where targets are not achieved, plans for improvement should be deliberated and reported to the Board.

The NC will report, in the Corporate Governance Statement of the Company’s Annual Report and/or Corporate Governance Report, on the process it has used in relation to Board appointments, should there be any appointments.

**4. Tenure of Director**

- (i) Pursuant to the Company’s Constitution, one-third (1/3) of the directors for the time being, or, if their number is not three (3) or a multiple of three, the number nearest to one-third (1/3) shall retire from office, and an election of directors shall take place at each annual general meeting of the Company. Each director shall retire once in every three (3) years but shall be eligible for re-election.

The Directors to retire shall be the Directors who have been serving in office for the longest duration since their appointment or last re-election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

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- (ii) The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years term, an independent director may continue to serve on the Board subject to the director's re-designation to that of non-independent director.
- (iii) In the event the Board intends to retain such Director as an Independent Director after the latter has served a cumulative term limit of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting, normally the Annual General Meeting of the Company. If the Board continues to retain the Independent Director after twelfth (12) years, the Board will seek annual shareholders' approval through a two-tier voting process.

Two-tier Voting Process

- Shareholders' votes will be cast in the following manner at the same shareholders meeting:
  - Tier 1: Only Large Shareholder(s) of the company votes; and
  - Tier 2: Shareholders other than Large Shareholders votes.
- The decision of the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.
- The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.
- "Large Shareholder(s)" refers to a person who:
  - Is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in company;
  - Is the largest shareholder of voting shares in the company;
  - has the power to appoint or cause to be appointed a majority of the directors of the company; or
  - has the power to make or cause to be made, decisions in respect of the business or administration of the company, and to give effect to such decisions or cause them to be given effect to.

**5. Review of the Policy**

The NC will review and assess the effectiveness of the Policy as and when required. The NC shall deliberate on appropriate amendments to be made to the Policy to make it more cohesive and any recommendation for revisions shall be highlighted to the Board for approval.

This Board Diversity Policy was reviewed by the Board of Directors on 30 April 2020.