



## **CARING PHARMACY GROUP BERHAD**

(Company No.1011859-D)

# **POLICY ON ASSESSING THE INDEPENDENCE OF DIRECTORS**

Approved by: Board of Directors

Date: 23 July 2014

An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with — or could reasonably be perceived to materially interfere with — the independent exercise of their judgement.

It is the Board's policy that in determining a director's independence the Board considers the relationships which may affect independence as follows:

When determining the independent status of a director the Board should consider whether the director;

1. is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
2. is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least 3 years between ceasing such employment and serving on the Board;
3. has within the last 3 years been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
4. is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
5. has a material contractual relationship with the Company or another group member other than as a director. Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence, and should be disclosed by the Board.

The tenure of an independent director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. The board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine years.