

MGB BERHAD

Registration No.: 200201021504 (589167-W)

DIVERSITY AND INCLUSION POLICY

1. INTRODUCTION

The Company acknowledges the importance of diversity in its Boardroom, Senior Management and workforce whereby gender diversity is an essential element in attaining effective strategic objectives of the Company and the Group, in enhancing sustainable growth and development and in promoting better corporate governance within the Group.

The Company believes in recognising and retaining high performance, talented and dedicated Board members and Senior Management with the required merits, knowledge, experience, expertise, competencies, professionalism, integrity and ability in discharging their responsibility and capability in contributing to the Board and the organisation.

The Policy sets out to promote diversity for the Board and workforce of the Group. The recruitments of the best talents in the work place regardless of gender, ethnicity and age are with the objective of maximising the performance, efficiencies and effectiveness of the organisation. The selection of candidates are based on merits, skills, knowledge, expertise, experience, professionalism and integrity regardless of gender, ethnicity and age.

2. OBJECTIVE

The objective and purpose of this policy are:-

- Achieve a diverse and skilled workforce with the highest standards of professionalism, accountability, integrity and competencies for the continuous improvement in the work place;
- Have a work place culture characterised by inclusive practices and behaviours for the benefit of all employees;
- Continuous Improvement in employment opportunities and career development for women;
- Diversity in the Board composition with the required number of independent Directors pursuant to the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia and women Directors for more effective oversight of the Management and the business and to provide check and balance in the discharge of the Board’s function, deliberation and decision-making;

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3. SCOPE

This Policy applies to the Board of Directors (“**Board**”), Senior Management and all levels of employees of the Group.

4. DEFINITIONS

“**Board**” refers to the Board of Directors of MGB at any one time.

“**Bursa Malaysia**” refers to Bursa Malaysia Securities Berhad

“**NRC**” refers to the Nomination and Remuneration Committee of MGB at any one time.

“**Company**” refers to MGB Berhad [Registration No.: 202001021504 (589167-W)].

“**MGB Group**” or “**the Group**” refers to MGB Berhad and its subsidiaries.

“**Policy**” refers to this Diversity Policy including any amendments made or to be made from time to time.

5. PRINCIPLES ON DIVERSITY POLICY

As part of the continuous efforts in sustaining the Company’s competitive advantages, the Company recognises and embraces the benefits of having a diverse Board and workforce, and committed to increase diversity at Board and Senior Management level as an essential and important element.

Diversity encompasses various areas such as gender, age, ethnicity and cultural background. A well-diversified Board will inculcate and make good use of differences in the skills, regional and industry experience, background, expertise, professionalism, race, gender and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible, it should be balanced appropriately. All Board members’ appointments are made on merit basis, in the context of the skills and experience the Board as a whole requires to be effective.

The NC will review and assess the Board composition on behalf of the Board and recommends the appointment of new Directors. In reviewing the Board’s composition, the NC will consider the benefits of all diversity aspects, in order to maintain an



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appropriate range and balance of skills, experience and background on the Board. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the NC will consider the balance of skills, experience, knowledge, expertise, competencies, professionalism, integrity and ability in discharging their responsibility and capability in contributing to the organisation of individual directors on the Board and the diversity representation of the Board.

This policy will be aligned with the United Nations Guiding Principles on Business and Human Rights and the Company's Human Right Policy to address the implementation and protection of human rights against risk of discrimination with particular attention to the rights and needs of, as well as the challenges faced by our employees. Supporting the UN Sustainable Development Goal on gender equality, this policy also supports Women's Empowerment Principles (WEP).

6. MEASURABLE OBJECTIVE

The Company acknowledges the importance in promoting diversity on the Board, its Senior Management and workforce, however the selection criteria for suitable candidates based on an effective blend of merits, competencies, knowledge, skills, experience and contribution to the Board, the organisation and work place should remain the priority.

The Nomination Committee will review the gender, age and ethnicity diversity of the Board and its Senior Management annually.

The Management will review the gender, age and ethnicity diversity of the workplace periodically or as and when the need arises.

The Board via the Nomination Committee and the Management will review and assess the effectiveness of the Policy periodically or as and when the need arises to ensure that the relevant objectives are met and remain effective for the Company and the Group. Any changes to this Policy shall be submitted to the Board for deliberation and approval.

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To pursue the objectives of diversity, the Board and/or Management would take into consideration the following measures:

- **Skills, Experience and Expertise**

The Company is committed to a merit based approach and the requirements of the Board when assessing and identifying suitable candidates for Board's appointment instead of merely achieving the objective of having a diversified Board. An effective board should include the right group of people with an appropriate mix of skills, knowledge, experience, expertise, professionalism and independent elements that fit the company's objectives and strategic goals.

The Nomination Committee will review and assess the skills, expertise, experience, gender, age, ethnicity, time commitment and independence of its Directors to ensure their relevance and the efficiencies and effectiveness of the Board as a whole on an annual basis or as and when the need arises including its effectiveness in promoting a diverse Board composition which includes any appropriate number of woman Director(s).

The selection and appointment of employees and Senior Management shall take into account merits, skills, knowledge, expertise, experience, professionalism and integrity regardless of their gender, ethnicity and age with the objective of maximising the performance, efficiencies and effectiveness of the organisation.

The Company believes in recognising and retaining high performance, talented and dedicated employees with the required merits, knowledge, experience, expertise, competencies, professionalism, integrity and ability in discharging their responsibility and capability in contributing to the organisation.

- **Gender Diversity**

The Company will evaluate suitable candidates for gender diversity on the Board. The selection process via the Nomination Committee will be exercised with due care and careful assessment will be based on merits, skills, knowledge, appropriate experience and time commitment.

Hence, the Company shall have at least one (1) woman Director(s) on the Board.

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The Company shall provide a respectful working environment that is free from harassment and discrimination on the basis of gender, in order to attract and retain women participation on the Board and workforce.

- **Age Diversity**

The Board and Management are fully committed to promoting age diversity, valuing the contribution of its members and workforce regardless of age and to eliminate age stereotyping and discrimination.

- **Ethnic Diversity**

The Company aspires to have a Board and workforce comprising member(s) of different ethnicity and who can contribute positively in respect of knowledge, experience, expertise and professionalism. The Nomination Committee and Management will conduct the selection exercise with due care and careful assessment will be based on merits, skills, knowledge, appropriate experience and time commitment.

7. MONITORING AND REPORTING

The Board, through the Nomination Committee, will monitor the scope and applicability of this Policy for the Board and the Senior Management from time to time.

The Management is responsible for implementing, monitoring and reporting on the progress of achieving the objectives of this Policy for the workforce.

8. REVIEW OF POLICY AND DISCLOSURE

This Policy has been endorsed by the Board and is made available for reference on Company's corporate website and internal computer networking system.

The NRC shall, as and when required, assess the adequacy of this Policy and make necessary amendments to ensure it remains consistent with the Board's objective, current law and best practices. Any subsequent amendments to this Policy should be approved by the Board.