

Revision No.	00
Effective Date	26-02-2020



KIA LIM BERHAD

Company No.: 199501013667 (342868-P)

DIVERSITY POLICY

INTRODUCTION

Kia Lim Berhad and its subsidiaries (“Kia Lim”) are committed to workplace diversity.

Kia Lim recognizes the benefit of diversity in its broadest sense in the boardroom as well as throughout the business. Diversity on the Board and in the senior management enables wider perspectives which encourage more effective discussions and better decision-making. Diversity encompasses not only gender and ethnicity but diversity of skills, cultural background, knowledge, international and industry experience and other qualities.

In formulating this policy, Kia Lim has taken into account the recommendations contained in the Malaysian Code on Corporate Governance 2017 (“MCCG”) and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Practice 4.4 of the MCCG recommend that appointment of Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. This entails the Board through its Nomination Committee (“NC”) to take the necessary steps to ensure that female candidates are sought as part of its recruitment exercise. The Board should explicitly disclose in the annual report its gender diversity policies and targets and the measures taken to meet those targets.

BOARDROOM DIVERSITY POLICY

1. Principles

- a) Kia Lim recognizes and embraces the benefits of having a diverse Board and sees increasing diversity as an essential element in maintaining a competitive advantage.
- b) A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, age, race, gender and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.
- c) All Board appointments are made on merit, in the context of the skills and experience the Board as a whole requires in order for the Board to be effective.
- d) The NC reviews and assesses board composition on behalf of the Board and recommends the appointment of new directors. It also oversees the conduct of the annual assessment of board effectiveness.
- e) In reviewing board composition, NC will consider the benefits of all aspects of diversity in order to maintain an appropriate range and balance of skills, experience and background on the board. In identifying suitable candidates for appointment to the Board, NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- f) As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual directors, NC will consider the balance of skills, experience, independence and knowledge on the Board and the diversity representation of the Board.

2. Measures

The Board is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. The Board would take into consideration the following measures:

a) Gender Diversity

- i) Kia Lim appreciates the benefits of having gender diversity in the boardroom as a mix-gendered board would offer different viewpoints, ideas and market insights which enable better problem solving to gain competitive advantage in serving an increasingly diverse customer base than the boardroom that dominated by one gender.
- ii) Kia Lim does not set any specific target for female directors in the Board but will actively work towards having appropriate gender diversity on the Board.
- iii) Kia Lim shall provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation on the Board.

b) Age Diversity

- i) The Board acknowledges the benefits of having 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, multigenerational workforce with a diverse range of skill sets that are beneficial to the Company.
- ii) Kia Lim does not set any specific target for the boardroom age diversity but will actively work towards having appropriate age diversity on the Board.
- iii) Kia Lim does not fix age limit for its Directors given that such Directors are normally reputable and experienced in their competitive fields and could continue to contribute to the Board in steering the Company.

c) Ethnic Diversity

- i) The Board recognizes 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 including but not limited to sharing of knowledge in different markets where Kia Lim is operating to enhance Kia Lim'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.
- ii) Kia Lim does not set any specific target for ethnic diversity in the boardroom but will actively work towards having appropriate ethnic diversity on the Board.
- iii) The NC is responsible for ensuring that boardroom diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.

3. Monitoring

The Board will review the measures set to achieve appropriate boardroom diversity from time to time.

WORKFORCE DIVERSITY POLICY

1. Principles

- a) Kia Lim is committed to providing an inclusive workplace that embraces and promotes diversity.
- b) Kia Lim value, respect and leverage the unique contributions of people with diverse backgrounds, experiences and perspectives to provide exceptional service to an equally diverse community. Kia Lim recognizes that team members will assume changing responsibilities throughout their careers.
- c) Kia Lim recognizes the benefits arising from employee diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.
- d) This Diversity Policy does not form part of an employee's contract of employment with Kia Lim, nor does it give rise to contractual obligations.

2. Measures

- a) The Management will establish diversity-related measurable objectives for Kia Lim. Assessment of these objectives and review of progress will be carried out on an annual basis by the Human Resources and Admin Manager, who will report her assessment to the Chief Executive Officer and make recommendations as appropriate.
- b) Kia Lim is of the view that, while it is important to promote diversity in terms of gender, age and ethnicity, Kia Lim would take into consideration the following diversity strategies but not limited to:
 - i) recruiting from a diverse pool of candidates for all positions, including senior management;
 - ii) reviewing succession plans to ensure an appropriate focus on diversity;
 - iii) identifying specific factors for the recruitment and selection processes to encourage diversity;
 - iv) developing programmes to develop a broader pool of skilled and experienced senior management, including workplace development programs, mentoring programs and targeted training and development; and
 - v) any other strategies the Board develops from time to time.

- c) Kia Lim will not set any fixed targets around age, gender and ethnicity, but will actively work towards having the appropriate diversity based on the strategies outlined above subject to Minimum Retirement Age Act 2012 and any other laws and regulations, as amended from time to time.

3. Monitoring

- a) The Board, through NC, will monitor the scope and applicability of this policy, from time to time.
- b) The Management is responsible for implementing, monitoring and reporting on the progress of achieving the objectives stated above.

REPORTING

In accordance with the Listing Requirements of Bursa Malaysia Securities Berhad on the disclosure of Corporate Governance Statements based on the MCCG 2017 in the Annual Reports, Kia Lim will disclose in the Annual Report its Diversity Policies and the proportion of women participation at Board level.

This Diversity Policy was approved by the Board on 26 February 2020 and will be periodically reviewed or as and when necessary by the Board. The Policy shall be made available on Kia Lim's website.