



DAYA MATERIALS BERHAD (636357-W)

BOARD DIVERSITY POLICY

TABLE OF CONTENTS

1.0	INTRODUCTION	3
2.0	GOVERNANCE	3
3.0	PRINCIPLE.....	3
4.0	OBJECTIVE.....	3
5.0	SCOPE	4
6.0	MEASUREABLE OBJECTIVE	5
7.0	MONITORING AND REPORTING.....	5 - 6
8.0	PUBLICATION AND REVISION	6

1.0 INTRODUCTION

Daya Materials Berhad (“DMB”) recognizes that board diversity enhances decision-making capability and quality of the Board’s performance. With a view to achieving a sustainable and balanced development, DMB perceives increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its business directions.

2.0 GOVERNANCE

In line with the Malaysian Code of Corporate Governance (“MCCG”):

Practice 4.4 : Appointment of board and senior management are based on objective criteria, merit, and with due regard for diversity in skill, experience, age, cultural background and gender.

Practice 4.5: Board discloses the Company’s policies on gender diversity, targets and measureable objectives in the annual report. For Large Companies, the Board must comprises at least 30% of female directors.

To the extent practicable, DMB addressing the recommendations and practices provided in the Malaysian Code of Corporate Governance (“MCCG”). The Board is pleased to set out below its approach to board diversity through the Board Nomination Committee to leverage differences in perspective, knowledge, skill, industry experience, background, age, ethnicity, race and gender to achieve optimum composition of the Board.

3.0 PRINCIPLE

In applying this policy, the Company recognize that the directors are appointed by shareholders, not the Board or the Company. The rights to appoint directors is one of the most important rights exercisable by shareholders and it is not sought to be restricted by this policy.

In identifying suitable candidates for appointment of directors, other than recognizing the recommendations from the existing Board members and major shareholders, the Board (through the Nomination and Remuneration Committee), will also explore independent sources to identify the qualified candidates.

The ultimate decision on director’s appointment will be based on merit and competence to serve the Board and shareholders.

4.0 OBJECTIVE

The main objectives of this Policy are to have a Board which:

- a) Is characterized by a broad range of viewpoints rather than just diversity in skills and experience; diversity in viewpoints would exist if there is diversity in gender, nationality, age, culture, and socio-economic backgrounds;
- b) Has sustainable development as its core-value, and promotes the interests of all stakeholders, particularly the long term interest of shareholders, fairly and effectively.

5.0 SCOPE

The Board considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background.

5.1 Independence

The Board includes a balanced composition of Executive, Non-executive Directors and Independent Non-executive Directors so that there is a strong element of independence in the Board. The Independent Non-executive Directors shall be of sufficient caliber and standing for their views to carry weight.

5.2 Skills and Experience

The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of finance, legal, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, investment and the professions.

5.3 Gender

The Board is fully committed on gender diversity in line with the MCCG 2017, and in supporting the target for women to fill 30% or more of the decision-making positions in the Company.

The Board will take the necessary measures to attract women participation on the Board. The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

5.4 Ethnicity

The Board recognises 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 inclusive but not limited to sharing of knowledge in different markets to enhance the Group'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.

5.5 Age

The Board acknowledges the benefits of having a 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, multi-generational workforce with a diverse range of skill sets that are beneficial to the Company.

6.0 MEASUREABLE OBJECTIVE

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

The Company does not set any specific target for female directors in the Board but will work towards having more female directors on the Board, if the opportunity arises.

The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board in order to attract and retain women participation on the Board.

b) Age Diversity

The Company does not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if the opportunity arises.

The Company does not fix age limit for its Directors given that such Directors are normally reputed and experienced in the corporate world and could continue to contribute to the Board in steering the Company. The Board is fully committed to promoting age diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age.

c) Ethnic Diversity

The Company does not set any specific target for ethnic diversity in the boardroom but will work towards having appropriate ethnic diversity in the Board, if the opportunity arises.

The Nominating and Remuneration Committee is responsible in ensuring that boardroom diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.

7.0 MONITORING AND REPORTING

7.1 Pursuant to the Term of Reference of the Nomination Committee, the Nomination Committee is (among other things) responsible for:

- a) To develop a policy formalizing its approach on diversity obligations;
- b) To develop, review and recommend to the Board on Board Composition, having regard to the mix of skills, knowledge, experience, expertise, independence and diversity (including gender, ethnicity and age) and other qualities required to facilitate effective and efficient functioning of the Board, including core competencies which Non-Executive Directors should bring to the Board, and to annually review the above;

- c) To ensure that prior to new Board appointments, a full assessment on the candidates is undertaken based on Policy on Board Composition (once developed) to assess the necessary and desirable core competencies of Directors so that an appropriate balance of skills, experience, expertise and diversity is maintained, and that the Board is able to discharge its responsibilities effectively.

7.2 The Nominating Committee will report to the Board on:

- a) Initiatives undertaken by the Board in relation to board Diversity and to achieve the Measurable Objectives;
- b) Progress in achieving the Measurable Objectives; and
- c) Make recommendations to the Board regarding the Measurable Objectives.

8.0 PUBLICATION AND REVISION

- 8.1 Summary of this Policy, together with the measureable objectives set for the implementation of the Policy will be included annually in the Corporate Governance Report. This Policy available on the Company's website for viewers.
- 8.2 Any revisions to the Policy as recommended by the Nomination Committee will be submitted to the board for consideration and approval.

----- END -----