MEGA FORTRIS BERHAD

GENDER DIVERSITY POLICY

1. INTRODUCTION

The Board takes cognisance of the Main Market Listing requirement of Bursa Securities Malaysia Berhad ("**MMLR**") and the recommendation by the Malaysian Code on Corporate Governance 2021 ("**MCCG**") that the Board shall establish a policy formalising its approach to boardroom diversity and the composition of the Board shall take into consideration of the diversity in skills, experience, age, cultural background, and gender to meet the needs of the Company and its subsidiaries ("**the Group**").

Consequently, the Board, via its Nominating Committee ("**NC**"), has taken measures to ensure that diversity is incorporated into the Company's policy specifically the participation of women in both the Board and Senior Management positions.

2. POLICY OVERVIEW

As part of our ongoing efforts to maintain the Company's competitive advantage, the Company recognises and embraces the benefits of having a diverse Board. The Company sees diversity within the Board as an essential and important element, which encompasses various areas such as age, gender, cultural background, and ethnicity. A well-diverse Board that inculcates and capitalise on the differences in skills, regional and industrial experience, race, gender and other qualities of the Directors is key. The aforementioned distinctions will be taken into account while selecting the most optimal composition of the Board. As part of the Board's commitment to this effort, the Board set a goal of having at least 30% of board seats held by women. The Board acknowledges that women's participation in decision-making positions should not be focused on board positions alone but should also be broadened to include women in senior management, as the same benefits apply. Diversity, when extended to senior management, will serves as a talent pipeline for Board candidacy.

The NC will review and assess the Board composition on behalf of the Board and recommends the appointment of new Directors.

The Board not only support the importance of women participation in senior management but also recognises the significance of diversity, equity and inclusion in attaining effective strategic objectives to enhance sustainable growth and development and in promoting better corporate governance within the Group.

3. OBJECTIVES

The primary goal of this Policy is to strategically identify and appoint qualified individuals by considering a variety of diverse factors, such as professional expertise, competencies, gender, age, ethnic background and educational attainment. When reviewing the Board's composition, NC will consider the benefits of all diversity aspects in order to maintain an appropriate range and balance of skills, knowledge, experience and background, as the ultimate decision will be based on merit and contributions that the selected candidates bring to the Board.

The Board acknowledges the importance of promoting gender diversity. Hence, the selection criteria of female candidates will be based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, remains a priority.

The annual performance evaluation on the effectiveness of the Board, individual Directors and Board Committees will take into account the balance of skills, knowledge, experience and independence of the Board and its diversity representation, whereby its composition (including gender, age and ethnicity) will be reported in the Annual Report.

4. PROCESS AND MEASURES

To pursue the objectives of gender diversity, the Board would take into consideration the following measures:-

(a) NC is responsible for ensuring that gender diversity objectives are adopted in Board recruitment and succession planning processes.

(b) NC will shortlist the potential women candidate based on the following criteria:-

- (i) Fit and Proper;
- (ii) Qualifications;
- (iii) Skills, knowledge, expertise, experience and competency;
- (iv) Character;
- (vi) Background;
- (vii) Integrity and professionalism;
- (viii) Time commitment; and
- (ix) In the case of the candidates for the position of Independent Non-Executive Directors, NC would also evaluate the candidates' ability to discharge such responsibilities and/or functions as expected from Independent Non-Executive Directors.

(c) the Board shall meet the requirements as set out in the MMLR and MCCG 2021 and will actively strive towards having a balanced composition of male and female Directors on the Board and senior management.

(d) the Company shall adopt a more inclusive environment in the boardroom that is free from any form of discrimination and harassment.

5. MONITORING

The Board, through NC, will monitor the scope and applicability of this policy, from time to time on the progress of achieving the objectives.

6. DISCLOSURE

Pursuant to MMLR, the Board will disclose in its annual report the gender diversity policy of the Group and the proportions of women participation at the Board level.

7. REVIEW OF THIS POLICY

The Board shall review and assess this policy from time to time or when changes to the business and/or regulatory requirements necessitate a revision, and may seek the management's involvement especially the Human Resource Department to assist on the evaluation of this Policy.

8. REVISION OF THIS POLICY

Any revision to the Policy as recommended by the NC will be submitted to the Board for consideration and approval.

-END-