



**HENGYUAN REFINING COMPANY BERHAD  
196001000259 (3926-U)**

**BOARD DIVERSITY POLICY**

**CONTROL PAGE**

<b>REVISION</b>	<b>ISSUE</b>	<b>DESCRIPTION OF AMENDMENT</b>	<b>REV/AMD DATE</b>
0	A	Initial Release – 26 March 2021	

## **1. INTRODUCTION**

This Board Diversity Policy ("**Policy**") sets out the approach of Hengyuan Refining Company Berhad (the "**Company**") towards achieving and maintaining diversity in its Board of Directors (the "**Board**").

## **2. MEANING OF DIVERSITY**

Diversity in the Board is broadly defined to include diversity in the following aspects:

- (a) Skills and expertise
- (b) Industry background and experience
- (c) Age
- (d) Gender
- (e) Nationality
- (f) Culture
- (g) Socio-economic background
- (h) Independence

## **3. PRINCIPLES**

- 3.1 The Company recognises the importance of having a diverse Board to ensure that it benefits from a diverse range of perspectives to manage present and emerging risks, adapt to shifting market trends and respond to the ever-changing business landscape.
- 3.2 The Board Nominating and Remuneration Committee ("**BNRC**") of the Company annually evaluates the composition of the Board, including its size, mix of skills, core competencies and diversity to ensure that it is in line with the Company's requirements and future needs.
- 3.3 While the Board is committed to Board diversity and this Policy, to ensure the sustainability of the Company and to protect its stakeholders, priority is given to the following factors in the assessment of candidates for the Board:
  - (a) Skills, knowledge, expertise and experience;
  - (b) Time commitment, character, professionalism and integrity;
  - (c) Ability to work cohesively with other members of the Board;
  - (d) Specialist knowledge or technical skills in line with the Company's strategy;
  - (e) Diversity in age, experience and background; and

(f) Number of directorships in other companies.

Therefore, Board diversity will be considered as part of the overall factors in the assessment of Board candidates.

- 3.4 The Board recognises the importance of gender diversity and support women's participation in decision making positions and the recommendations of the Malaysian Code on Corporate Governance to have at least 30% women directors.

The Board, through the BNRC, regularly reviews the proportion of female to male directors when considering appointment of a new member to the Board. Any appointments done will be based on meritocracy.

#### **4. REVIEW OF THE POLICY**

The BNRC will periodically assess and review the effectiveness of this Policy and its compliance with applicable laws and regulations. Any recommendations or revisions will be submitted to the Board for consideration and approval.

#### **5. DISCLOSURE**

This Policy shall be published on the Company's website for public information. Appropriate disclosures on Board diversity shall be made in the Company's annual report as required.