



HUP SENG INDUSTRIES BERHAD

[Registration No. 199101015786 (226098-P)]
(Incorporated in Malaysia)

DIVERSITY POLICY

1. PURPOSE

- 1.1 The purpose of this Diversity Policy (“**Policy**”) is to set out the approach to diversity on the Board of Directors (“**Board**”) of Hup Seng Industries Bhd. (“**HSIB**” or the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) and the employees of the Group.

2. SCOPE

- 2.1 This Policy applies to the Board of the Group and to all employees of the Group.

3. MEASURES

- 3.1 The Group recognises that building a diverse and inclusive Board, senior management team and group of employees, is essential to the Group’s success, and therefore, aims to attract, retain and develop a diverse team of skilled individuals who are committed to the Group’s objectives.
- 3.2 The Group is committed to promoting diversity covering various aspects such as gender, age, ethnicity, disability, skills, experience and social/ cultural background throughout the Group including in its Board.
- 3.3 The Group is also committed to maintaining a workplace free of harassment and discriminatory practices.

a) The Board

- In determining the optimum composition of the Board, the Group acknowledges the advantage of having a diversified Board and shall make good use of the differences in gender, age, ethnicity, disability, and social/cultural background, as well as to the character, experience, integrity, competence and time commitment of the individual.
- The Nomination Committee’s responsibilities are in accordance with the Terms of Reference of Nominating Committee (as revised from time to time). The Nomination Committee is responsible for, amongst others, the following:
 - i) Reviewing and assessing the composition of the Board;
 - ii) Recommending potential candidates to the Board;
 - iii) Choosing suitable candidates for the Board by taking into consideration the recommendations from existing Board members, senior management or shareholders and/or source from a directors’ registry and open advertisements or engaging independent search firms;
 - iv) Recommending suitable orientation, educational and training programmes to continuously train and equip the existing and new directors;

- v) Assessing the effectiveness of the Board and the contribution of each individual director.
- vi) Reviewing the succession plan of the Board; and
- vii) Assessing and recommending to the Board, the continuation of terms of office of Independent Directors while applying the Malaysian Code on Corporate Governance.

b) Senior Management and Employees of the Group

- All individuals, regardless of gender, age, ethnicity, disability, and social/cultural background, with suitable qualifications and experience, will be considered equally in the recruitment process.
- Career advancement within the Group will be based on merit and skills, regardless of gender, age, ethnicity, disability and social/cultural background.

4. MONITORING AND REPORTING

- 4.1 The Nomination Committee is responsible for monitoring the effectiveness of this Policy towards the achievement of the measurable objectives established by the Board.
- 4.2 The Board will, where appropriate, report in the Annual Report on progress made towards achieving the said objectives.

5. REVIEW OF THE POLICY

- 5.1 The Nomination Committee will discuss any revisions that may be necessary for the implementation of the Policy and recommend such revisions to the Board of HSIB for approval.
- 5.2 The Board of HSIB will review the objectives, measures, and effectiveness of this Policy from time to time.

This Policy was reviewed by the Board of HSIB on 14 February 2023.