

SMIS CORPORATION BERHAD
(Company No. 491857-V)

Diversity Policy

1. Purpose

This policy is intended to address SMIS Corporation Berhad (“the Company” or “SMIS”) and all subsidiary companies within the SMIS Group, hereinafter refer to as the Group.

The Policy sets out to promote diversity for the Board and workforce of the Group. Diversity in this context refers to age, gender, ethnicity, nationality, cultural background, religious belief and social-economic status. Diversity also encompasses the way people differ in terms of education, life experience, job function, work experience, personality, location, marital status and career responsibilities.

The Board is guided by the Principles and Practices as promulgated by the Malaysian Code on Corporate Governance 2017 (“MCCG”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia Listing Requirements”).

The Policy is firmly aligned with the achievement of the Company’s business objectives, values and principles.

2. Objectives

The Company is committed to manage diversity, which may result from a range of factors including age, gender, ethnicity, nationality, cultural background or other personal factors, as a means of enhancing the Company’s performance by recognising and utilising contribution of diverse skills and talents from its directors, officers and employees.

The Board upholds the promotion of fair participation and equal opportunity in embracing a spirit of inclusion of all individual of the right caliber.

Boardroom Diversity Policy

3. Principles

- 3.1 The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity as an essential element in maintaining a competitive advantage.
- 3.2 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.

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- 3.3 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.
- 3.4 The Nomination Committee ("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.
- 3.5 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.
- 3.6 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.

4. Measures

- 4.1 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:

Gender diversity

- (a) The Company 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.
- (b) The Company does not set any specific target for female directors in the Board but will actively work towards having more female directors on the Board.
- (c) The Company shall actively support women to be directors by assisting women in senior management to build business networks, encouraging them to join boards as part of their professional development and addressing cultural impediments which prevent women from reaching senior management and board positions.
- (d) The Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation on the Board.

Age diversity

- (a) 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

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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.

- (b) The Company does not set any specific target for the boardroom age diversity but will actively work towards having appropriate age diversity in the Board.
- (c) 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.

Ethnic diversity

- (a) 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 where the Group is operating 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.
- (b) The Company does not set any specific target for ethnic diversity in the boardroom but will actively work towards having appropriate ethnic diversity in the Board.
- (c) The NC is responsible in ensuring that boardroom diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.

Other Measures

- (a) The NC will continue to focus on diversity when recommending new candidates for Board memberships, as well as evaluating the performance of the Board and its individual members. In connection with its effort to create and maintain a diverse Board, the NC will:
 - assess the appropriate mix of diversity (including gender, ethnicity and age), skills, experience and expertise required of the Board and address gaps (if any);
 - make recommendations to the Board in relation to the appointments and maintain an appropriate mix of diversity, skills, experience and expertise of the Board;
 - consider candidates for appointment as non-executive directors from a wider pool, including those with little or non-listed company board experience;
 - adhere to the recruitment and sourcing process that seeks to include diverse candidates, including women in any director search; and

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- identify trainings and development programmes for the Board to better face the dynamic and ever-changing business landscape.
- report annually on the outcome of the Board evaluation, the composition and structure of the Board as well as any issues and challenges the Board is facing when considering the diverse make-up of the Company.

5. Monitoring

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

Workforce Diversity Policy

6. Principles

- 6.1 The Group is committed to providing an inclusive workplace that embraces and promotes diversity.
- 6.2 We value, respect and leverage the unique contributions of people with diverse backgrounds, experiences and perspectives to provide exceptional service to an equally diverse community. We recognise that team members will assume changing responsibilities throughout their careers.
- 6.3 The Group recognises 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.
- 6.4 The Group promotes values equality and non-discrimination in the organisation and equal opportunities and fair consideration in employment, career development and promotion is given to all individual regardless of race, ethnicity, gender, age, disability, religion or belief.
- 6.5 This Diversity Policy does not form part of an employee's contract of employment with the Company or its subsidiaries, nor does it gives rise to contractual obligations.

7. Measures

- 7.1 The Management will establish diversity-related measurable objectives for the Company. Assessment of these objectives and review of progress will be carried out on an annual basis by the Group Human Resources Director, who will report its assessment to the Board of Directors and make recommendations as appropriate.
- 7.2 As an organisation that has regional footprint, the Group recruits people from all around the region. We believe that our employees from many different cultural, linguistic and national backgrounds provide us with valuable knowledge for understanding complex international markets.

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- 7.3 The Group is of the view that, while it is important to promote diversity in terms of gender, age and ethnicity, the Group would take into consideration the following diversity strategies but not limited to:
- recruiting from a diverse pool of candidates for all positions, including senior management
 - reviewing succession plans to ensure an appropriate focus on diversity;
 - identifying specific factors to take into account of the recruitment and selection processes to encourage diversity;
 - 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
 - any other strategies the Board develops from time to time.
- 7.4 The Group 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.

8. Monitoring

- 8.1 The Board, through NC, will monitor the scope and applicability of this policy, from time to time.
- 8.2 The Management is responsible for implementing, monitoring and reporting on the progress of achieving the objectives stated above.
- 8.3 Disclosure of the diversity of the board composition and workforce will be made in the Company's Annual Report.

9. Periodic Review

- 9.1 This policy shall be reviewed as and when is necessary by the Board.

This policy is dated 6 April 2018.