



# CRITICAL HOLDINGS BERHAD

(Registration No. 202201031781 (1477478-K))  
(Incorporated in Malaysia)

## BOARD DIVERSITY POLICY

### 1. Objective

This policy sets out the approach of the board on the composition of the Board of Directors of Critical Holdings Berhad ("**Critical**" or "**the Company**").

### 2. Scope

- 2.1 This policy has been prepared to address the specific requirements of the Ace Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**").
- 2.2 This policy will continue in force unless varied or revoked by the Board of Directors of Critical ("the Board").

### 3. Compliance Requirement

#### 3.1 AMLR

- i. Paragraph 15.08A of the AMLR states that the Boards of Directors of listed companies are required to disclose in the Annual Reports their Nomination Committees' activities, which must include, among others, the Policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the listed issuers.
- ii. Bursa Securities has clarified that listed companies must, in the disclosure of their Policy on Board composition in the Annual Report, with respect to diversity include not only the Policy on gender diversity, but also diversity in ethnicity and age.
- iii. Paragraph 2.20A of the AMLR requires a public listed entity to ensure that each of its Directors, or C-Suite personnel such as Chief Executive Officer or Chief Financial Officer has the character, experience, integrity, competence and time to effectively discharge his role as a Director, Chief Executive Officer or Chief Financial Officer, as the case may be, of the listed corporation.
- iv. Paragraph 15.02(1) of the AMLR requires at least two Directors or 1/3 of the Board of a listed company (whichever is the higher) to be Independent Directors.

### 3.2 **MCCG 2021**

Intended Outcome 5.0 under Principle A - Board Leadership and Effectiveness of the MCCG 2021 states that Board decisions are to be made objectively in the best interests of the Company taking into account diverse perspectives and insights. Practices 5.1 to 5.10 explain how a Board should apply the Practices in order to meet the Intended Outcome under 5.0.

## **4. Policy Statement**

- 4.1 Critical believes in diversity and values the benefits that diversity can bring to its Board. Diversity promotes the inclusion of different perspectives and ideas, mitigates against group think and ensures that the Company has the opportunity to benefit from all available talent. The promotion of a diverse Board makes prudent business sense and promotes better corporate governance.
- 4.2 Critical seeks to maintain a Board comprising talented and dedicated directors with a diverse mix of skills, expertise, experience, gender, age and independence. The diversity collectively represented on the Board should reflect the diverse nature of the business environment in which Critical operates.
- 4.3 The company is committed to a merit based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, Critical will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board.
- 4.4 The Board will periodically work towards diversifying the ethnic composition of the Board as and when vacancies arise and suitable candidates are identified.
- 4.5 The Nomination Committee will review this policy periodically to assess its effectiveness in promoting a diverse Board which includes an appropriate number of women directors. Any revisions to the policy as recommended by the Nomination Committee will be submitted to the Board for consideration and approval.

## **5. Reference**

This policy should be read in conjunction with the Terms of Reference of the Nomination Committee.