



BOARDROOM DIVERSITY POLICY

1. PURPOSE OF THE POLICY

Purpose

The purpose of this Boardroom Diversity Policy (“**Policy**”) is to formalize the approach to boardroom diversity on the Board of Directors of MTD ACPI Engineering Berhad (“**MTDACPI**”) [**Board**].

Background

- The Malaysian Code on Corporate Governance 2012, Recommendation 2.2, stipulates that the board of directors establish a policy formalizing its approach to boardroom diversity. The board of directors through its Nominating Committee should take steps to ensure that women candidates are sought as part of its recruitment exercise. The board of directors should explicitly disclose in the annual report its gender diversity policies and targets and the measures taken to meet those targets.
- Bursa Malaysia Securities Berhad (“Bursa Securities”) is enhancing disclosures in the marketplace with a view to aid shareholders and investors to make informed investment decisions through clarifying the disclosure requirements of annual reports with regards to a listed corporation’s diversity policy in relation to its Board of Directors and workforce.
- The enhanced disclosure requirements specifies that in this regard, the listed corporation must, in the disclosure of its policy on board of directors composition in the annual report, with respect to diversity include not only the policy on gender diversity, but also diversity in ethnicity and age.

2. PRINCIPLES OF BOARDROOM DIVERSITY POLICY

The Board acknowledges and embraces the benefits of having a diverse Board not only in terms of gender but also in terms of age and ethnicity.

The trend towards diversity is essential to have the effect of bringing different perspectives to the Boardroom as the Board looks to keep pace with the changing dynamic that MTDACPI Group is now facing.

A truly diverse Board would include and capitalize on the differences in skills, background and experience (regional and industry), gender, race and other qualities of each Director. The Board will consider the aforesaid differences in determining the optimum composition of the Board and also ensuring a well balanced Board, whenever possible.

The Board delegated to the Nomination Committee (“NC”) to ensure that the Board has a sufficient size with the appropriate balance of skills and experience to meet MTDACPI Group’s present and future needs. The NC also ensures that the composition of the Board and Board committees at all times adhere to the standards of independence promulgated by Bursa Securities Main Market Listing Requirements.

The NC would oversee the establishment of clear and appropriate selection criteria of candidate for membership to the Board. It also oversee that the conduct of assessment of the Board and Board Committees on annual basis to ensure effectiveness of the Board and Board Committees, as a whole and make recommendations on any improvement to be carried out.

Taking into cognizance of the recommendation to have at least 30% women participation on boards, by 2016, as highlighted in the Corporate Governance Blueprint 2011 – Towards Excellence in Corporate Governance issued by the Securities Commission, Malaysia, the NC is responsible for taking necessary measures to have at least 30% women participation on the Board by 2016.

3. MEASURES ON BOARDROOM DIVERSITY

The Board would take into consideration the following measures:

- While the Board is of the view that it is important to promote Boardroom diversity, the normal selection criteria based on a good blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. The Board through the NC would actively work towards promotion of corporate culture that embraces diversity in its recruitment process in its effort to achieve Boardroom diversity in terms of gender, age and ethnicity.
- The Board would ensure that Boardroom diversity objectives are adopted in board recruitment, and succession planning processes.

4. MONITORING

The Board will review the Boardroom Diversity Policy and measures set, to ensure progress towards achievement of Boardroom diversity in composing an effective functioning Board, in terms of gender, age and ethnicity; and in compliance to changes in the applicable statutory and regulatory requirements.

ENDORSED FOR AND ON BEHALF OF THE BOARD,

DATO' IR A. RASHID BIN OMAR
CHAIRMAN
MTD ACPI ENGINEERING BERHAD
Date: 27 March 2015