

KERJAYA PROSPEK PROPERTY BERHAD

Registration No. 199401001358 (287036-X)

INDEPENDENT DIRECTORS ASSESSMENT POLICY

Introduction

This Independent Director Assessment Policy (“**Policy**”) is designed to ensure that an effective assessment is in place to evaluate the independence of all Independent Non-Executive Directors (“**Independent Directors**”) of the Company.

The Nominating Committee (“**NC**”) is responsible to assist the Board of Directors (“**Board**”) to carry out this assessment on an annual basis to ensure that all Independent Directors are fit for the role and able to execute their fiduciary duties and responsibilities.

This Policy is guided by the following principles:

- The assessment process shall be transparent, free from bias and self-interest at all times;
- The Independent Directors must be able to perform their duties and responsibilities, particularly in providing their independent judgement at all times and act on the long-term interests of the stakeholders; and
- The independence of Independent Directors shall not be compromised due to any factor.

Tenure

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years from the date of first appointment. Upon completion of nine (9) years, the Board may subject to the assessment of the NC, on an annual basis at annual general meeting, recommend and subject to valid justifications and obtaining shareholders’ approval, retain an Independent Director beyond the nine (9) years’ term through a two-tier voting process. Should the resolution tabled to the shareholders to retain an Independent Director who has served for nine (9) years or more in the same capacity defeated, the said Independent Director may continue to serve on the Board but shall be redesignated to a Non-Independent Non-Executive Director.

Where the tenure of an Independent Director exceeds a cumulative term of twelve (12) years or more in the same capacity, the said Independent Director if continue to serve on the Board, shall be redesignated to non-independent director.

The term of office of Independent Directors shall be organised in a manner that ensures proper and smooth transition.

Assessment Criteria

The NC shall evaluate the independence of Independent Directors based on the following criteria:

(a) **Competency and Experience**

The Independent Directors possess the competency, knowledge and experience which are relevant to their role and responsibility.

(b) **Commitment**

The Independent Directors committed to exercise care and diligence in every aspect of the Group, particularly in the aspect of financial and corporate governance.

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(c) Compliance

The Independent Directors have, at all times, uphold their independency by complying to the requirements as specified in the Company's Board Charter and the definition of 'independent director' as set out in the Bursa Malaysia Securities Berhad Listing Requirements.

(d) Integrity and Independent Judgement

The Independent Directors maintained the highest level of integrity, ethical character and are able to exercise independent judgement without prejudice in the course of carrying out their duties.

Assessment Process

(a) Determine the scope and timing of annual assessment

NC should commence the assessment after the end of Group's financial year and the parameters of that assessment should covers the full financial year instead of focusing on a single event which happened in that financial year.

(b) Obtain adequate input from relevant personnel

NC is encouraged to gather the input from various parties which had dealings with the Independent Directors throughout the financial year, such as the Group's non-independent directors, management, internal and external auditors. The all-rounded assessment will be useful in providing meaningful feedback to the Independent Directors concerned for improvement purpose, identifying if there is any potential factor which might compromise their independency, and allowing the Board to revisit the existing Board composition so as to ensure an optimal level of Board efficiency can be achieved.

(c) Assessment based on established criteria

NC should assess on how well the Independent Directors fit into the criteria established in this Policy.

(d) Amalgamate the findings and communicate the assessment results to the Board

Upon the completion of the annual assessment, NC should present the findings of the assessment conducted and make recommendation to the Board as it deems necessary. The rationale of recommendation and any relevant supporting documents must be provided to the Board for the Board members' consideration.

(e) Confirmation of Independence

On an annual basis, the Independent Directors are required to confirm their independence to the Board.

Review of Policy

This Policy is subject to periodic review (subject to at least once in every 3 years) in accordance with the needs of the Company and the Board's approval shall be obtained for any amendment or changes made from time to time.

Approved on 26 May 2023.