

TIONG SENG HOLDINGS LIMITED

BOARD DIVERSITY POLICY

1. Purpose

- 1.1 This Board Diversity Policy (“the Policy”) aims to set out the approach to achieve diversity of Tiong Seng Holdings Limited’s (“the Company”) on the Company’s Board. The Policy applies to the Board only.
- 1.2 In applying this Policy, there might be cases where directors could be appointed by shareholders, not the Board or the Company. The right to appoint directors is one of the most important rights exercisable by shareholders and is not sought to be restricted by this Policy. Merit and competence to serve the Board and hence shareholders remain as the priority.

2. Principle

- 2.1 Principle 2.4 of the Code on Corporate Governance 2018 stipulates for the board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy.

3. Policy Statement

- 3.1 With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and contributing to the sustainable development of the Company.
- 3.2 It enhances decision-making capability and a diverse board is more effective in dealing with organizational changes as well as diversified views enhance Board discussions and ensure that the decisions made by the Board have been considered from all points of view.
- 3.3 In designing the Board’s composition, Board diversity has been considered from a wide range of aspects, including but not limited to age, gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Company and its subsidiaries (“Group”), and support succession planning and development of the Board. For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness.
- 3.4 The Nomination Committee (the “Committee”) reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors.
 - In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, 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, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- The Committee will consider the balance of skills, experience, independence and knowledge of the Company on the Board and the diversity representation of the Board.

4. Measurable objectives

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:

a) Gender diversity

The Company does not set any specific target for female directors in the Board but will work towards having female directors on the Board, if the opportunity arises.

The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board in order to attract and retain women participation on the Board.

b) Age diversity

The Company does not set any specific target for the boardroom age diversity but will work towards having appropriate age diversity in the Board, if the opportunity arises.

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. The Board is fully committed to promoting age diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age.

c) Ethnic diversity

The Company does not set any specific target for ethnic diversity in the boardroom but will work towards having appropriate ethnic diversity in the Board, if the opportunity arises.

5. Disclosure

5.1 This policy may be published on the Group's website.

5.2 The progress made towards implementing the Policy, including objectives, can be disclosed in the Company's Annual Report.

6. Review and Monitoring

- 6.1 The Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Committee will recommend any required revisions to the Board for approval.
- 6.2 The Committee will keep this Policy under review to ensure its effectiveness and alignment with best practice and the requirements of the Code of Corporate Governance, as amended from time to time, and any other relevant legislation.
- 6.3 An induction programme will be provided to each new director to ensure that he or she has a thorough understanding of the Group's operations and policies as well as his or her role and responsibilities and to address any gaps in his or her knowledge. Relevant training will also be provided to directors from time to time.

Reviewed & Recommended by Nominating Committee on 25 February 2020.

Approved by the Board on 25 February 2020.