



EUPE CORPORATION BERHAD
Registration No. 199601005416 (377762-V)
(Incorporated in Malaysia)

DIRECTORS' INDEPENDENCE POLICY

1. BACKGROUND AND PURPOSE

The Board of Directors ("Board") of the Company and its subsidiaries ("Group") values independence and objectivity in its deliberation, review and decision-making process, allowing for more effective oversight of management and ensure the Board decisions are made objectively in the best interest of the Company taking into account diverse perspectives and insights.

2. COMPOSITION OF THE BOARD

- 2.1 Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") prescribed that at least two (2) or 1/3 of the Board whichever is the higher, must be Independent Director. The Malaysian Code of the Corporate Governance recommends at least half of the Board shall comprise Independent Directors.
- 2.2 In the event of any vacancy in the Board resulting in the non-compliance of Paragraph 15.02 of the Listing Requirements, the vacancy must be filled within three (3) months from the date of such vacancy.

3. INDEPENDENCE OF DIRECTOR

- 3.1 A Director who is appointed to act as an Independent Director must, among others, satisfy the criteria set out under the definition of "Independent Director" in the Listing Requirements.
- 3.2 Generality test - Directors must give effect to the spirit, intention and purpose of the said definition. If a person does not fall within any of paragraphs of Paragraph 1.01 of the Listing Requirements, it does not mean that the person will automatically qualify to be an independent director. The Board has the responsibility, on the recommendation of the Nomination Committee ("NC"), to make an assessment of a director's independence.
- 3.3 The Independent Director and the Board must still apply the test of whether the Independent Director is independent of management and free of any business or other relationships that could materially interfere with the exercise of objective, unfettered or independent judgement or the ability to act in the best interest of the Company.

4. ASSESSMENT OF INDEPENDENT DIRECTOR

- 4.1 The Board via NC and assisted by the Company Secretary, shall conduct assessment on Independent Directors to determine the state of the directors' independence annually and when any new interest or relationship develops.



- 4.2 The Independent Directors shall also uphold the responsibility of updating the Board with any new information in relation to interests or relationships that could possibly impair their independence.
- 4.3 The Board will re-assess determinations of independence upon any such disclosure by a Director. In performing the assessments or verifying the results of an internally performed assessment, the Board may engage the services of an external consultant.
- 4.4 The tenure of an Independent Director shall not exceed a cumulative term limit of 9 years. Upon completion of the 9 years term limit, the Independent Director may continue to serve on the Board as a Non-independent Director. However, if the Board intends to retain an Independent Director beyond 9 years in the same capacity, it should provide justification and seek annual shareholders' approval through a two-tier voting process.
- 4.5 However, the tenure of an Independent Director in the Company or any related corporation of the Company shall not exceed a cumulative period of 12 years from the date of his first appointment as an Independent Director.

Should the Board decide to appoint an Independent Director who had served as an Independent Director of the Company or any related corporation for more than 12 years before and had observed the requisite 3-year cooling off period, the Board shall provide a statement justifying the nomination of the said Independent Director and explaining the rationale in the notice of a general meeting.

- 4.6 In providing justification for Paragraphs 4.5 and 4.6 above, the Directors' objectivity, commitment, contribution, experience and expertise as well as other relevant reasons shall be taken into consideration. Additional independence assessments may need to be carried out by the Board and is to be determined when the need arises.

5. ADMINISTRATION AND REVIEW OF POLICY

The Board, with NC's recommendation and with the assistance of the Company Secretary is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed and revised as needed. Any amendments made to this policy must be approved by the Board.