



**GOLDEN LAND BERHAD**

[Company No. 199401012688 (298367-A)]

[Incorporated in Malaysia]

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**GUIDELINES OF DIRECTORS' INDEPENDENCE ASSESSMENT**

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## INTRODUCTION

This guideline is adopted in compliance with the Malaysian Code on Corporate Governance (“MCCG”). It is important for the board to undertake an annual assessment of the independence of its independent directors to ensure they can continue to bring independent and objective judgment to board deliberations and this mitigates risks arising from conflict of interest or undue influence from interested parties.

## INDEPENDENCE CRITERIA

Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, an Independent Director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of a listed issuer.

A director is regarded as independent, if the Director:-

- (a) is not and has not been within the last 3 years and is not an officer (except as an independent director) of the Company or any other related corporation of the Company (this paragraph is referred to as “paragraph (a)”);
- (a) is not a major shareholder of the Company (this paragraph is referred to as “paragraph (b)”);
- (b) is not a family member of any executive director, officer or major shareholder of the Company (this paragraph is referred to as “paragraph (c)”);
- (c) is not acting as a nominee or representative of any executive director or major shareholder of the Company (this paragraph is referred to as “paragraph (d)”);
- (d) has not been engaged as an adviser by the Company under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by the Exchange (this paragraph is referred to as “paragraph (e)”);
- (e) has not engaged in any transaction with the Company under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the Company under such circumstances as prescribed by the Exchange (this paragraph is referred to as “paragraph (f)”).

*\* Please refer to Appendix I for further explanation.*

## ADDITIONAL INDEPENDENCE CRITERIA

Additionally, a director must also fulfill the following criteria to be regarded as independent:-

- He has no family member who is an executive officer (i.e. any executive director, officer or major shareholder) of the Company.
- He has no family member meeting any of the criteria set forth in (b)–(f) above; except with respect to item (e) in which case an immediate family member may be an employee (not a partner) of the independent auditor so long as such family member does not personally work on the Company’s audit.

- If he is a former audit partner of the Group's external auditors, he has observed a cooling-off period of at least 3 years.
- He has no other material relationship (as determined by the Company) with the Company, either directly or as a partner, shareholder, director or officer of an organisation that has a material relationship with the Company.
- He is not a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of a director, officer or major shareholder of the Company or any of its related corporations.
- He is not a director of a body corporate which is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director, officer or major shareholder of the Company or any of its related corporations.
- He is not director, officer, major shareholder, beneficiary, or a family member to such persons, of a not-for-profit entity (including charitable organisation) that receives significant contributions from the Company or any of its related corporations.
- He does not hold a cross-directorship or have any significant links with other directors through involvement in other companies or body corporate which cross-directorships or links would materially hamper my independent judgement or ability to act in the best interests of the Group.
- He is not a person who performs a policy-making function within the Group.
- He is not a person who has the ability to exert considerable influence on the Company's financial standings.
- He is not an administrator or liquidator of the Group.
- He is not a trustee or other person administering an arrangement made between the Company or any related corporations and a third party.

## **UPDATES OF INFORMATION**

Independent Directors have provided the Board with all information in relation to their interests or relationships relevant to independence. The Independent Directors are required to inform the Board of any change in their position. The Board will assess the independence of directors upon admission, annually and will re-assess determinations of independence when any new interests or relationships are disclosed by an Independent Director.

## **DISCLOSURE**

The Board should disclose that it has conducted the director independence assessment in the annual report and in any notice convening a general meeting for the appointment and re-appointment of Independent Directors.

**Definition & Explanation for items under “INDEPENDENT CRITERIA”:-**

**Paragraph (a)**

“Officer” has the meaning given in Section 2 of the Companies Act, 2016 which states that an “officer” in relation to a corporation includes:-

- (i) any director, secretary or employee of the corporation;
- (ii) a receiver and manager of any part of the undertaking of the corporation appointed under a power contained in any instrument; and
- (iii) and any liquidator of a company appointed in a voluntary winding up,

but DOES NOT include:-

- (i) any receiver who is not also a manager;
- (ii) any receiver and manager appointed by the Court; or
- (iii) any liquidator appointed by the Court or by the creditors.

**Paragraph (b)**

“Major shareholder” means a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is –

- (i) 10% or more of the total number of voting shares in the corporation; or
- (ii) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder in the corporation.

**Paragraph (c)**

“Family member” in relation to a person means such person who falls within any one of the following categories:

- (i) spouse;
- (ii) parent;
- (iii) child including an adopted child and stepchild;
- (iv) brother or sister; and
- (v) spouse of his child, brother or sister
- (vi) mothers and father-in-law
- (vii) sons and daughters-in-law
- (viii) brothers and sisters-in-law
- (ix) de-facto partner and anyone else (except for employees) who shares the director’s home.

Individuals who are no longer family members as a result of legal separation, divorce or death, are not taken into consideration with respect to the determination of a director’s independence.

“Officer” has the meaning given in Paragraph 1.01 of the Main market Listing Requirements to be chief executive, the chief operating officer, the chief financial controller or any other person primarily responsible for the operations or financial management of the Company, its subsidiaries, holding company or any related corporation.

#### **Paragraph (d)**

“Nominee” means a person who has been designated to act for another in his or her place. It denotes a person who is accustomed, or is under an obligation, whether formal or informal to act in accordance with the directions, instructions or wishes of another person.

A nominee or representative of major shareholders who fulfills all requirements of the definition of “independent director” except for the said paragraph (e), may nevertheless be considered as an “independent director” if:-

- (i) the major shareholder’s aggregate shareholding in the Company, directly or indirectly, is not more than 15% of the total number of issued shares (excluding treasury shares) of the Company;
- (ii) the major shareholder is not deemed to be a promoter of the Company; and
- (iii) the major shareholder is either:-
  - a statutory institution who is managing funds belonging to the general public; or
  - an entity established as a collective investment scheme, such as closed – end funds, unit trusts or investment funds (but excluding investment holding companies).

#### **Paragraph (e)**

A person who is proposed to be or is an independent director (hereinafter referred to as “the said Director”) would be disqualified from being an independent director if:-

- (i) had personally provided professional advisory services to the Company within the last 3 years; or
- (ii) is presently a partner, director (except as an independent director) or major shareholder, of a firm/corporation (“Entity”) which has provided professional advisory services to the Company within the last 3 years,

and the consideration in aggregate exceed 5% of the gross revenue on a consolidated basis (where applicable) of the said Director or the Entity; or RM1 million, whichever is higher.

Where the Entity is a corporation, the computation of the gross revenue of the Entity shall be based on its annual audited accounts for the last 3 financial years; and

Where the service is rendered by the said Director personally or by an Entity which is other than a corporation, the computation of the gross revenue shall be based on the income tax returns of the said Director or the Entity, as the case may be, submitted to the Inland Revenue Board for the last 3 years.

#### **Paragraph (f)**

The said Director would be disqualified from being an independent director if:-

- (i) had engaged personally in transactions with the Company (other than for board service as an independent director) within the last 3 years; or
- (ii) is presently a partner, director, a major shareholder as the case may be, of an Entity (other than subsidiaries of the Company) which has engaged in transactions with the Company within the last 3 years,

and the consideration of which is aggregate exceeds 5% of the gross revenue on a consolidated basis (where applicable) of the said Director or the Entity; or RM1 million, whichever is the higher.

However, “**transactions**” as stated above shall EXCLUDE transactions:-

- (i) on normal commercial terms entered into between the Company and the said Director or between the Company and an Entity, where the said Director is also a director, major shareholder or partner:-
  - for personal use of the said Director; or
  - for personal investment of the said Director but not for the purpose of carrying on a trade or business;
- (ii) on normal commercial terms entered into between the Company and an Entity where the said Director is also a director (and not a major shareholder) but is not involved in the said transactions;
- (iii) for the following goods and services, provided that they are sold or rendered based on a non-negotiable fixed price or rate, which is published or publicly quoted and the material terms including the prices or charges are applied consistently to all customers or classes of customers:-
  - provision or usage of public utility services such as water, electricity and telecommunications and data, postal or courier services, services by licensed persons as defined under the Financial Services Act 2013 (other than professional advisory services which are subject to paragraph (g) above), insurance, unit trusts, stockbroking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and
  - such other types of goods or services that may be prescribed by the Exchange from time to time.

Where the Entity is a corporation, the computation of the gross revenue of the Entity shall be based on its annual audited accounts for the last 3 financial years; and

Where the transaction is entered into by the said Director personally or by an Entity which is other than a corporation, the computation of the gross revenue shall be based on the income tax returns of the said Director or the Entity, as the case may be, submitted to the Inland Revenue Board for the last 3 years.