



HONG FOK CORPORATION LIMITED

(Company Registration No.: 196700468N)

BOARD DIVERSITY POLICY

HONG FOK CORPORATION LIMITED

BOARD DIVERSITY POLICY

1. INTRODUCTION

Hong Fok Corporation Limited (“HFC”) recognises and embraces the benefits of having a diverse board. The board diversity policy (the “Policy”) aims to set out the approach to achieve diversity on the board of directors (the “Board”) of HFC.

2. POLICY STATEMENT

HFC views that having diversity at the Board enables the management to benefit from a diverse and objective external perspective on issues raised before the Board and is an important element in supporting the attainment of its strategic objectives and its sustainable development. In terms of the Board’s composition, HFC seeks to have a Board that comprises directors who as a group provide an appropriate balance and have diversity from a number of aspects, including gender, age, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

3. TARGETS

The Nominating Committee and Board review and determine the targets, plans and timelines set for achieving each of the Board diversity aspects as well as progress being made thereof on an annual basis or as and when circumstances require.

In particular, HFC has determined the following targets:

- in relation to diversity in terms of gender, having at least one female director on the Board and one female key management personnel (as defined in the Code of Corporate Governance 2018). This would help to bring different perspectives, approaches to stewardship and risk-reward orientation, which enhances the quality of decisions made.
- in relation to diversity in terms of age, having the members of the Board being in at least two different age bands, with each band comprising 10 years. This would help to introduce different perspectives to the Board and enable broader debates within the Board, help the Board to arrive at decisions and strategies which are relevant in the market, and reduce the risk of groupthink.
- in relation to diversity in terms of tenure of the non-executive directors, having the non-executive directors on the Board being in at least two different tenure bands, with each band comprising 3 years. This would help to allow the Board to benefit from senior non-executive directors’ knowledge continuity whilst mitigating the risk of groupthink or uncritical conformity and loss of independence.
- in relation to diversity in terms of involvement with the operations of HFC and its subsidiaries, having non-executive directors make up the majority of the Board. This would help to encourage unbiased decision-making aligned with shareholders’ interests.

4. REVIEW OF THIS POLICY

The Nominating Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nominating Committee will discuss any revisions or improvements that may be required, and recommend any such revisions to the Board for consideration and approval.