

**TRANSOCEAN HOLDINGS BHD.**  
**Registration No. 197701005709 (38747-U)**

**POLICY ON BOARD COMPOSITION AND INDEPENDENCE**

**1.0 COMPOSITION OF THE BOARD**

- 1.1 Appointment of new directors to the Board shall be through a formal and transparent procedure whereby the Nominating & Remuneration Committee and the Board will review and decide on the proposed candidate(s) based on the candidate's skill, experience, qualifications and independence.
- 1.2 At least two (2) of the directors or 1/3 of the Board of Directors, whichever is the higher must be independent directors.
- 1.3 If the number of directors of the listed issuer is not 3 or a multiple of 3, then the number nearest 1/3 must be used.
- 1.4 The Board shall consist of a Chairman and suitable number of Executive as well as Non-Executive directors, including independent non-executive who shall lend an independent or broader view to the Company's strategies, plan, performance and resources.
- 1.5 The roles of Chairman, Managing Director and Chief Executive Officer ("MD & CEO") shall preferably not be combined. Where the roles of Chairman and MD & CEO are combined, there shall be a strong independent element on the Board.
- 1.6 In the event of any vacancy in the Board, resulting in non-compliance with subparagraph 1.2 above, the Company must fill the vacancy within three (3) months.
- 1.7 No person can be appointed or allowed to act as a director of the Company or be involved whether directly or indirectly in the management of the Company, if he or she:-
- a) has been convicted by the court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
  - b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving fraud or dishonestly or where the conviction involved a finding that he or she acted fraudulently or dishonestly; or
  - c) has been convicted by a court of law of an offence under the securities laws or the Companies Act 2016,
- within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.
- 1.8 At least one (1) of the directors shall be a female director.

- 1.9 The Board should consider to be comprised of a majority of independent directors where the chairman of the board is not an independent director.
- 1.10 The Nominating Committee (“NC”) should review the procedures and forms on annual assessment for effectiveness of the Board and the Committees of the Board as a whole, as well as contributions and performance of each individual director.
- 1.11 The Chairman should not be a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee.

## **2 INDEPENDENT DIRECTOR**

- 2.1 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 an applicant or a listed issuer. Without limiting the generality of the foregoing, an independent director is one who:-
- a) is not, and has not been within the last 3 years, an officer of the Company or any related corporation of the Company (each corporation is referred to as “said Corporation”). For this purpose, “officer” has the meaning given in section 2 of the Companies Act but excludes a director who has served as an independent director in any one or more of the said Corporations for a cumulative period of less than 12 years;
  - b) is not a major shareholder of the said Corporation;
  - c) is not a family member of any executive director, officer or major shareholder of the said Corporation;
  - d) is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
  - e) has not been engaged as an adviser by the said Corporation 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 said Corporation under such circumstances as prescribed by the Exchange;
  - f) has not engaged in any transaction with the said Corporation 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 said Corporation under such circumstances as prescribed by the Exchange;
  - g) has not served as an independent director in any one or more of the said Corporations for a cumulative period of more than 12 years from the date of his first appointment as an independent director.

2.2 The Board should undertake an assessment of its independent directors annually and to disclose that it has conducted such assessment in the annual report and in any notice convening a general meeting for the appointment and re-appointment of independent directors.

2.3 The tenure of an independent director should not exceed a term limit of nine (9) years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process. Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders meeting:

Tier 1: Voting by Large Shareholder(s); and

Tier 2: Voting by Shareholders other than Large Shareholders.

Large Shareholder means a person who–

- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the company;
- is the largest shareholder of voting shares in the company;
- has the power to appoint or cause to be appointed a majority of the directors of the company; or
- has the power to make or cause to be made, decisions in respect of the business or administration of the company, and to give effect to such decisions or cause them to be given effect to.

The decision for the above resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.

2.4 The maximum tenure of an Independent Director should be no more than a cumulative period of 12 years from the date of his/her first appointment as an Independent Director of the Company or any of its related corporation-

2.5 A Director who has served for a cumulative period of twelve (12) years may stand for election to serve as an Independent Director at the Annual General Meeting of the Company provided that: -

- i) the said Director has observed a minimum three (3) years cooling off period; and
- ii) through a statement accompanying the notice of annual general meeting, the Board justifies the nomination of the said Director and explains the rationale why there is no other eligible candidate other than the said Director.

This revised Policy on Board Composition and Independence was adopted by the Board of Directors on 22 August.2023.