

POLICY

ON

**IN-DEPENDENT ASSESSMENT OF
IN-DEPENDENT DIRECTORS**

(REVISION: MAY 2024)

POWER ROOT BERHAD
[Company Registration No.: 200601013517 (733268-U)]

Duly approved by the Board of Directors of Power Root Berhad via Board of
Directors' Circular Resolution dated 8 May 2024

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1. INTRODUCTION

The Independent Assessment Policy (“Policy”) is designed to ensure that an effective process is in place to evaluate the Independence of all Independent Non-Executive Directors (“Independent Directors”) of Power Root Berhad.

The Nominating Committee (“NC”) is responsible to assist the Board to carry out this assessment on an annual basis to ensure that all Independent Directors are fit for the role and able to execute their fiduciary duties and responsibilities.

This policy is guided by the following principles: -

- (a) The assessment process shall be transparent, free from bias and self-interest at all times;
- (b) The Independent Directors must be able to perform their duties and responsibilities, particularly in providing their independent judgement at all times and act on the long-term interests of the stakeholders; and
- (c) The independence of Independent Directors shall not be compromised due to any factor.

2. ASSESSMENT CRITERIA

The NC shall evaluate the independence of Independent Director based on the following criteria:

2.1 Competency and Experience

The Independent Director is committed to exercise care and diligence in every aspect of the Company, particularly in the aspect of financial and corporate governance;

2.2 Compliance

The Independent Director has, at all times, uphold his/her independence by complying with the requirements of Independent Directors as specified under the Paragraph 4 of the Company’s Board Charter and Chapter 1 Part A Section 1.01 of Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (refer to Appendix 1).

2.3 Integrity and Independent Judgement

The Independent Director has maintained the highest level of integrity, ethical character and is able to exercise independent judgement without prejudice in the course of carrying out his/her duties.

3. ASSESSMENT PROCESS

3.1 Determine the scope and timing of annual assessment

NC should commence the assessment after the end of the Company's financial year and the parameters of that assessment shall cover the full financial year instead of focusing on any single event in that financial year.

3.2 Obtain adequate input from relevant personnel

The NC is encouraged to gather the input from various parties which had dealings with the Independent Directors throughout the financial year, such as the Group's non-independent directors, management, internal & external auditors. The all-rounded assessment will be useful in providing meaningful feedback to the Independent Directors concerned for improvement purposes, identify any potential factor(s) which might compromise their independence and allow the Board to review the existing Board composition so as to ensure an optimal level and composition of the Board can be achieved.

3.3 Assessment Criteria

The NC shall assess on how well the independent directors fit into the criteria established in Paragraph 2 of this policy.

3.4 Amalgamate the findings and communicate the assessment results to the Board

Upon the completion of the annual assessment, the NC shall present the findings of the assessment conducted and make recommendation to the Board as it deems necessary. The rationale of the recommendation and any relevant supporting documents must be provided to the Board for its consideration and decision.

4. REVIEW OF POLICY

This Policy shall be reviewed and updated at least once every three (3) years or more frequently in accordance with the needs of the Group, Malaysian Code on Corporate Governance, Main Market Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirement.

Definition of Independent Director

Bursa Main Market Listing Requirements - Paragraph 1.01

Independent Director means a director who is independent of the management and free from any business or other relationship which could interfere with the exercise of independent judgement 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: -

1. Is not an executive director of the applicant, listed issuer or any related corporation of such applicant or listed issuer (each corporation is referred to as said corporation);
2. Has not been within the last 2 years and is not an officer (except as non-executive director) of the said corporation. For this purpose, "officer" has the meaning given in Division 2 of the Companies Act 2016;
3. Is not a major shareholder of the said corporation;
4. Is not a family member of any executive director, officer or major shareholder of the said corporation;
5. Is not acting as a nominee or representative or any executive director or major shareholder of the said corporation;
6. 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 maybe, of a firm or corporation which provides professional advisory service to the said corporation under such circumstances as prescribed by the Exchange; or
7. 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 maybe, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the said corporation under such circumstances as prescribed by the Exchange.