



HO WAH GENTING BERHAD
Company No. 199301018185 (272923-H)
(Incorporated in Malaysia)

DIRECTORS' FIT AND PROPER POLICY

DULY APPROVED BY THE BOARD OF DIRECTORS ON 20 DECEMBER 2022



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1. OBJECTIVE

- 1.1 The objective of the Directors' Fit and Proper Policy ("Policy") is to guide the Nomination Committee ("NC") and the Board of Directors ("Board") in their review and assessment of potential candidate(s) for appointment as Director(s) as well as re-election of Director(s) for Ho Wah Genting Berhad ("the Company") and/or its subsidiaries ("Group").
- 1.2 The Policy is to enhance the governance of the Company in relation to the Board's quality and integrity, as well as ensure that each Director has the character, experience, integrity, competence, time and commitment to effectively discharge his/her role as a director.
- 1.3 The Board shall ensure that the fit and proper criteria on the appointment and re-election of Director(s) of the Company and Group set out in Paragraph 2 are applied on a continuing basis.
- 1.4 The Board and the NC shall conduct the fit and proper assessment prior to the appointment of any candidate as a Director, or making recommendation for the re-election of an existing Director.

2. FIT AND PROPER CRITERIA

Factors for the "Fit and Proper Criteria" to assess the relevant person include but are not limited to the following:

- (i) Character and integrity
- (ii) Experience and competence
- (iii) Time and commitment

2.1 Character and Integrity

- (a) Probity
 - (i) is compliant with legal obligations, regulatory requirements and professional standards; and
 - (ii) has not been obstructive, misleading or untruthful in dealings with regulatory bodies or any court of law.

(iii) Have not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect to the person's honesty, integrity or business conduct.

(b) Personal Integrity

- (i) has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;
- (ii) service contract (i.e., in the capacity of management or Director) had not been terminated in the past due to concerns about personal integrity; and
- (iii) has not abused other positions (e.g., political appointment) to facilitate government relations for the Company in a manner that contravenes the principles of good governance.
- (iv) have no concurrent responsibilities or interest which would contribute to a conflict of interest situation or otherwise impair the ability to discharge duties and responsibilities as Director of the Company/Group.

(c) Financial Integrity

- (i) manages personal debts or financial affairs satisfactorily; and
- (ii) demonstrates the ability to fulfil personal financial obligations as and when they fall due.

(d) Good Reputation

- (i) Is of good repute in the financial and business community.
- (ii) have not been convicted for offences nor has any public sanction or penalty been imposed by the relevant regulatory bodies, in managing or governing an entity for the past 5 years.
- (iii) have not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management.

2.2 Experience and Competence

(a) Qualifications, training and skills

- (i) possess education qualification that is relevant to the skill set that the Director is expected to bring and contribute to the boardroom (i.e. a match to the board skill set matrix).
- (ii) have a considerable understanding on the business and workings of a corporation.

- (iii) possess general management skills as well as understanding of corporate governance best practices and sustainability (i.e. Environment, Social and Governance) issues.
 - (iv) financial literacy especially able to read and understand financial statements.
 - (v) keep knowledge current based on continuous professional development.
 - (vi) possesses leadership capabilities and high level of emotional intelligence.
- (b) Relevant experience and expertise
- (i) possess relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.
- (c) Relevant past performance or track record
- (i) had careers of occupying a high-level position in a comparable organization and were accountable for driving or leading the organisation's governance, business performance or operations.
 - (ii) possess commendable past performance record and background check if available.

2.3 Time and commitment

- (a) Ability to discharge role having regard to other commitments
- (i) able to devote time as Board members, having factored other outside obligations including concurrent Board positions held by the Directors across listed issuers and non-listed entities (including not- for-profit organizations).
- (b) Participation and contribution in the Board or track record (*applicable for re-election of existing director only*)
- (i) demonstrate willingness to participate actively in Board activities.
 - (ii) demonstrate willingness to devote time and effort to understand the businesses and exemplify readiness to participate in events outside the boardroom.
 - (iii) manifest passion in the vocation of a Director.

- (iv) exhibit ability to articulate views independently, objectively and constructively.
- (v) exhibit open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

3. EVALUATION OF A CANDIDATE FOR DIRECTORSHIP OR RE-ELECTION OF RETIRING DIRECTOR

- 3.1 The NC will evaluate candidates for new appointment as Director based on the fit and proper criteria in item 2 before recommending to the Board for approval.
- 3.2 For new appointments, the candidates are required to complete the following documents:
 - a) Procedure for Recommending Director Appointment;
 - b) Curricular Vitae;
 - c) CTOS search consent form;
 - d) perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.
- 3.3 For re-election of retiring Director, the retiring Director will be evaluated based on the annual Board Evaluation Form. The NC has the power not to recommend to the Board the re-election of retiring Directors who do not meet the policy requirements.
- 3.4 The information gathered from the assessments shall be for the NC's or Board's strict use for the purpose of the assessment and not for other un-related user in the Company/Group and not for public disclosure.
- 3.5 The Secretarial Department of the Company shall maintain the record of the fit and proper assessment for the Director concerned.

4. REVIEW OF THE POLICY

The Board will review this Policy from time to time and make any necessary amendments to ensure the Policy remain consistent with the Board's objective, rules and regulations of relevant authorities and the best practices under the Malaysian Code on Corporate Governance.

This Policy was approved by the Board on 20 December 2022.