

MAH SING GROUP BERHAD

Registration No. 199101019838 (230149-P)

(Incorporated in Malaysia)

DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

- 1.1 The Board of Directors ("**Board**") of Mah Sing Group Berhad ("**Mah Sing**" or "**Company**") has adopted the Directors' Fit and Proper Policy ("**Policy**") to ensure a formal and transparent process for appointment, re-election and re-appointment of Directors of the Company and its subsidiaries ("**Group**").
- 1.2 The Policy supports the Group's constant endeavour to enhance the Board's quality and integrity. With this in mind, the Board must consist of qualified individuals with diverse set of skills, experience, knowledge, integrity, competence and time that allow them to perform the duties and carry out the responsibilities required of the position in the most effective manner.

2. OBJECTIVE

- 2.1 The Policy is designed with the aim to:
 - (a) set out the fit and proper criteria for selection of candidates that are proposed to be appointed as Directors of the Group and the existing Directors who are seeking for re-election.
 - (b) ensure that each Director possesses the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out his/her role and responsibility effectively in the best interest of the Group and its stakeholders.
 - (c) serve as a guide to the Nomination Committee and the Board of Mah Sing in the review and assessment of the following:
 - (i) candidates identified to be elected or appointed as Directors of Mah Sing; and
 - (ii) the existing Directors of Mah Sing seeking for re-election or re-appointment; or whenever Mah Sing becomes aware of information that may materially compromise a person's fitness and propriety.
 - (d) also serve as a guide for Mah Sing's subsidiaries in the selection of their director candidates for appointments and re-elections of existing Directors.

3. FIT AND PROPER CRITERIA

3.1 The criteria for considering whether a person is fit and proper to hold a director position include but are not limited to the following:

(a) Character and Integrity

(i) Probity

- is compliant with legal obligations, regulatory requirements and professional standards.
- has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

(ii) Personal integrity

- 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/her professional conduct.
- service contract (in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity.
- has not abused other positions that he/she has held or is holding in a manner that contravenes principles of good governance and professional ethics.

(iii) Financial Integrity

- manages personal debts or financial affairs satisfactorily.
- demonstrates ability to fulfil personal financial obligations as and when they fall due.

(iv) Reputation

- is of good repute in the financial and business community.
- has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.
- has 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.

(b) Experience and Competence

(i) Qualifications, training and skills

- possesses education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the boardroom (i.e. a match to the board skill set matrix).
- has a considerable understanding on the business and workings of the Group.

- possesses general management skills as well as understanding of corporate governance and sustainability issues.
- keeps knowledge current based on continuous professional development.

(ii) Relevant experience and expertise

- possesses 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.

(iii) Relevant past performance or track record

- had a career of occupying a senior position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations.
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

(c) Time and Commitment

(i) Ability to discharge role having regard to other commitments

- is able to devote sufficient time required to properly discharge his/her fiduciary duties in the capacity as a Board member, having factored other outside obligations including concurrent Board positions held by the Director across listed issuers and non-listed entities (including not-for-profit organisations).

(ii) Participation and contribution in the Board or track record

- demonstrates willingness to participate actively in Board activities.
- demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.
- manifests passion in the vocation of a Director.
- exhibits ability to articulate views independently, objectively and constructively.
- exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. RESPONSIBILITY

- 4.1 The Board is primarily responsible for ensuring that all Directors fulfil fit and proper requirements, and for conducting assessments on the fitness and propriety of persons for appointment, re-election and re-appointment as Directors. The Board will make all final determinations on the fitness and propriety of the persons.

- 4.2 The Nomination Committee shall be responsible for conducting assessments on the fitness and propriety of candidates to be appointed as Directors of the Company and the existing Directors who are seeking for re-election or re-appointment as Directors of the Company. The Nomination Committee shall make recommendations on their appointments for approval of the Board of the Company.
- 4.3 The respective Boards of the Company's subsidiaries shall be responsible for conducting assessment on the fitness and propriety of candidates to be appointed as Directors of the respective subsidiaries and the existing Directors who are seeking for re-election as Directors of the respective subsidiaries. The respective Boards of the Company's subsidiaries shall make recommendations on their appointments.

5. PROCEDURE FOR FIT AND PROPER ASSESSMENT

- 5.1 The fit and proper assessment of each person within the scope of the Policy shall be conducted before the initial appointment, or whenever the Group becomes aware of information that may materially compromise a Director's fitness and propriety.
- 5.2 The Group shall have regard to the criteria set out under clause 3 in assessing a person's fitness and propriety. The criteria shall be assessed individually, as well as collectively, taking into account their relative importance.
- 5.3 Failure to meet one criteria on its own does not necessarily mean failure to meet the fit and proper criteria. The Group should consider the circumstances surrounding a person's failure to meet specific criteria, including the lapse of time since the occurrence of events, other contributing factors and significance of the event from the perspective of potential risks posed to the Group.
- 5.4 The assessment process will involve a good measure of judgement, which should be exercised objectively and in the best interests of the Group. The Group should consider that information relevant to such assessment may vary depending on the degree of an individual's influence and responsibilities in the affairs of the Group.
- 5.5 Due diligence shall be undertaken in respect of such person to ascertain suitability on the basis of qualification, expertise, track record and integrity of such person, as well as on other information obtained in the declaration forms.

6. REVIEW OF THE POLICY

- 6.1 The Board of the Company shall periodically review and update the Policy where necessary, to align with the needs of the Group and any regulatory changes that may have an impact on the Policy.