

## **DIRECTORS' FIT AND PROPER POLICY**

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## 1. INTRODUCTION

Pursuant to the Main and Ace Market Listing Requirements of Bursa Securities Malaysia Berhad ("**Listing Requirements**"), Oversea Enterprise Berhad ("**the Company**") is obligated to formulate the Director's Fit and Proper Policy ("**the Policy**") to set out the approach and criteria for the appointment and re-election of director of the Company and/or its subsidiaries ("**the Group**").

## 2. PURPOSE

The Policy serves to guide the Company's Nomination Committee ("**the NC**") and Board of Directors of the Company ("**the Board**") in their review and assessment of a candidate for his/her appointment or existing directors' re-election as director for the Group.

The Policy shall be subject to prevailing provisions on the appointment, cessation and re-election of directors, other relevant legislations, regulations, guidelines, the Group's constitution and policies; and any other applicable laws.

## 3. FIT AND PROPER CRITERIA

In reviewing and assessing a candidate to be appointed as director or re-election of existing director of the Group, the NC and the Board shall be guided by the following criteria;

- a. Probity, personal integrity, reputation and financial integrity
- b. Experience and competence
- c. Time and commitment

## 4. ELABORATION OF CRITERIA

- a. Probity, personal integrity, reputation and financial integrity
  - compliance with all the relevant legal obligation, regulatory requirements and professional standards.
  - good repute in the society, financial and business community and has not been the subject of civil or criminal proceedings or enforcement action in the past 10 years while managing or governing an entity either in Malaysia or elsewhere;
  - financially healthy, is not an undischarged bankrupt or been a subject of a judgement debt which has not been satisfied in whole or in part and demonstrates the ability to fulfil personal financial obligations as and when they fall due, whether in Malaysia or elsewhere.
  - has not been engaged in any business practices which are deceitful, oppressive, or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct; and
  - has not been terminated, asked to resign or has resigned from the employment in the past due to personal integrity or has abused his power or other position (i.e. political appointment) for personal interest or to facilitate government relations for such company in the manner that contravenes the principles of good governance.

b. Experience and competence

- possesses the relevant education qualifications.
- possesses the relevant experience and skill or satisfactory past performance or expertise and or had experience in leading or driving organisation's governance, business performance or operations with a good past performance track record gathered from board effectiveness evaluation;
- and

c. Time and commitment

- able to commit and devote time as needed to discharge duties and responsibilities effectively.
- understand the fiduciary duties and responsibilities as a director and is able to act professionally and in the best interest of the Company.

## 5. PROCEDURES

The process for assessing the fitness and propriety of the Key Responsible Persons entails the following steps:

Step 1 : Identify potential candidate through the recommendations from the Directors, the management or external parties.

Step 2 : Assess the suitability of the potential candidate by evaluating the potential candidate based on the criteria of required skills, character, background, integrity, professional experience, knowledge and expertise, experience, competence and time commitment. Independence is the added criteria for appointment of an Independent Non-Executive Director.

Step 3 : The NC shall meet the potential candidate

Step 4 : Make recommendation to the Board for approval for the appointment of the potential candidate.

Step 5 : Board discussion and approval of the proposed appointment of the potential candidate as new Director.

Step 6 : Upon approval, send invitation to the potential candidate to join the Board as new Director.

## 6. REVIEW AND UPDATE POLICY

The NC will review the Policy periodically and recommend any change to the Board for its approval

## 7. DISCLOSURE OF THIS POLICY

This Policy will be published on the Company's website for public information.

## 8. APPROVAL

This Policy was reviewed and approved by the Board on **\*\*\* (date)**