



BENALEC HOLDINGS BERHAD

200501020529 (702653-V)

DIRECTORS' FIT AND PROPER POLICY



CONTENTS

1. Introduction	3
2. Fit and proper criteria	3
3. Assessment	4 & 5
4. Review of the Policy	5



1. INTRODUCTION

- 1.1 The Board of Directors (the "Board") of Benalec Holdings Berhad ("Benalec" or "the Company") provides strategic leadership and is responsible for the performance of the Company and its subsidiaries ("Benalec Group").
- 1.2 The Fit and Proper Policy ("Policy") is to ensure that each of the Directors has character, integrity, competence and time to effectively discharge his/her role as a Director of Benalec Holdings Berhad and its subsidiaries.
- 1.3 The Policy must be read in conjunction with the Board Charter and serves as a guide to the Nomination Committee ("NC") and the Board in their assessment of candidates who are to be appointed onto the Board as well as Directors who are seeking for election or re-election.

2. FIT AND PROPER CRITERIA

In accessing if a candidate meets the criteria under this Policy, the Board should consider factors which includes 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 professional conduct
 - service contract (i.e. 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 (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance
- (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 a 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 reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Suruhanjaya Syarikat Malaysia, Bank Negara Malaysia or any other regulatory authorities both local or abroad
 - 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
 - possess education qualification that is relevant to the skill set that the director is earmarked to bring to bear onto the board room (i.e. a match to the board skill set matrix);
 - has a considerable understanding on the business and workings of Benalec Group
 - possess general management skills as well as understanding of corporate governance and sustainability issues
 - keeps knowledge current based on continuous professional development
 - possess leadership capabilities and a high level of emotional intelligence
- (ii) Relevant experience and expertise
 - 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
- (iii) Relevant past performance or track record
 - has or had a career of occupying a high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations
 - possess 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
 - able to devote time 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 judgement after hearing the views of others

3. ASSESSMENT

- 3.1 The NC will assess each Director standing for re-election/re-appointment as well as candidate(s) identified for new appointment as Director of the Company based on the criteria set out Item 2 above before recommending to the Board for consideration and approval. The fit and proper assessment may also be conducted whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.
- 3.2 The criteria set out in Item 2 above in assessing a Director's fitness and propriety, shall be assess individually, as well as collectively, taking into account their relative importance. Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The Company will consider the specific circumstances surrounding a Director's failure to meet specific factors, such as the lapse of time since the occurrence of events, other contributing factors and the significance of the event from the perspective of potential risks posed to the Company.



- 3.3 The Company should exercise the assessment objectively in the best interests of the Company and the sound conduct of the Company's business. In conducting the assessment, the Company should consider whether there have been material changes in the nature or scope of the responsibilities assumed by a Director in which higher standards of competence or judgement are required in order to properly perform the duties associated with the said position.
- 3.4 The information gathered from the assessment shall be for the NC's strict use for the purpose of the assessment and not for public disclosure.

4. REVIEW OF THE POLICY

The NC shall recommend any changes to the Policy as the NC deems appropriate to the Board for approval. The Policy shall be assessed, reviewed and updated where necessary to align best practices and regulatory changes.