

POH KONG®

Poh Kong Holdings Berhad
200201018476(586139-K)

FIT AND PROPER POLICY

APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS OF POH KONG
HOLDINGS BERHAD AT THE BOARD MEETING HELD ON 16 JUNE 2022

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1. INTRODUCTION

Poh Kong Holdings Berhad (and its subsidiaries hereinafter referred to as “PKHB” or “the Group”) has adopted the Directors’ Fit and Proper Policy (“ the Policy”) to ensure a formal and transparent procedures are in place for the appointment and the re-election of Directors.

In formulating the Policy, the Board of Directors (hereinafter referred to as“ the Board”) is committed to comply with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“ Bursa Securities”) and other legal and regulatory obligations.

2. OBJECTIVE

The Policy aims to guide the Group’s Nomination Committee and the Board (hereinafter collectively known as “ NC”) in their review and assessment of potential candidates for appointment of Directors as well as re-election of Directors to the Group.

The Policy also ensure that Directors must possess the relevant skills, character, integrity, knowledge, experience, competence and time commitment in carrying out their roles, duty and responsibilities effectively and efficiently in the best interest of the Group and its stakeholders.

3. FIT AND PROPER CRITERIA

The underpinning “Fit and Proper “criteria of Directors include but not limited to the following:

Character and Integrity

(a) Probity

- ❖ complies with legal obligations, regulatory requirements and professional standards.
- ❖ has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

- ❖ has 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) Financial Soundness and Solvency

- ❖ manage personal debts or financial affairs satisfactorily.
- ❖ demonstrate ability to fulfil personal financial obligations as and when they fall due.
- ❖ has not been subjected to a debt judgment which is unsatisfied, either in whole or in part, both local or abroad.

(c) Personal Integrity, Honesty and Ethical Behaviour

- ❖ 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) has not been terminated in the past due to concerns on personal integrity.
- ❖ has 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 and/or its subsidiaries.
- ❖ has not abused other positions (i.e. that he has held) in a manner that contravenes principles of good governance and professional ethics.

(d) Good 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 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.

Competence and capability

(a) Qualifications, training and skills

- ❖ possesses education qualification that is relevant to the skill set that the Director is earmarked to bring onto the boardroom (i.e. a match to the board skill set matrix).
- ❖ has a considerable understanding on the business and workings of a public corporation.
- ❖ has adequate and broad knowledge including the United Nations Sustainable Development Goals on sustainability as well as Environment, Social & Governance (ESG) issues.
- ❖ possesses general management skills as well as understanding of good corporate governance best practices.
- ❖ financial literacy especially able to read and understand financial statements.
- ❖ keeps knowledge current based on continuous professional development.
- ❖ possesses leadership capabilities.

(b) 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.

(c) Relevant past performance or track record

- ❖ had careers of occupying a high-level position in a comparable organization and were accountable for driving or leading the organization's governance, business performance or operations.
- ❖ possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

Time and commitment

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

- ❖ 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 non-profit organizations).

(b) 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 exemplify 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. RESPONSIBILITIES OF THE BOARD AND NC

The Board and NC shall be directly responsible for conducting assessments on the fitness and propriety of directors and making decisions on their appointments.

The Board and NC may discuss and determine specifications based on specific circumstances, needs and requirements, such as no of years' experience needed to fulfil the position as Director or head of department to be considered for an appointment to the Board.

These considerations shall be reviewed and assessed by the Board and NC periodically, to ensure their relevance and alignment to the Group's needs and structure.

5. ASSESSMENT OF A CANDIDATE FOR DIRECTORSHIP OR RE-APPOINTMENT OF DIRECTOR

- ❖ the NC will evaluate candidates for new appointments as Directors based on the fit and proper criteria as spelt out above before recommending to the Board for approval.
- ❖ for re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Form.
- ❖ the NC has the power not to recommend to the Board the re-appointment of retiring Directors who do not meet the policy requirements.
- ❖ for new appointments, the candidates are required to complete the Candidate for Directorship profile.
- ❖ the candidates will also be required to complete a self-declaration of fit and proper form and authorise the Company to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.
- ❖ for the purpose of assessment, information gathered during the assessments shall strictly be for NC's use only and not for public disclosure.

6. NON DISCLOSURE OF SENSITIVE AND CONFIDENTIAL INFORMATION

The Group shall disclose information required under regulatory obligations, and will not disclose sensitive and confidential information under the Policy.

7. RESOURCES

The Corporate and HR Department shall provide guidance, education and procedures for implementing the Policy, including review, monitoring and reporting.

8. POLICY SUBJECT TO PERIODICAL REVIEW

The NRC is responsible for regular reviews of the Policy and making any recommended changes as and when it deemed fit. The Policy shall be aligned to any legal or regulatory changes and the best practices under the MMLR and other legal and regulatory obligations.

The changes to the terms of the Policy shall be subject to the approval of the Board.

The Directors' Fit and Proper Policy has been adopted by the Board on
16 June 2022