



1. INTRODUCTION

The Directors' Fit and Proper Policy ("**Policy**") of Sik Cheong Berhad ("**Sik Cheong**" or the "**Company**") and its subsidiaries (the "**Group**") is to ensure a transparent and rigorous process for the appointment and re-election of directors of the Group.

This Policy sets out the criteria for the appointment and re-election of Directors of the Group and ensure compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

2. OBJECTIVE

This Policy serves as a guidance to the Nomination Committee ("**NC**") of the Company and the Board of Directors ("**Board**") in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Directors who are seeking re-election at the annual general meeting.

This Policy aims to ensure that the Directors of the Group comply with Rule 2.20A of the Listing Requirements and possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to perform their roles and responsibilities with the highest integrity and professionalism as well as to act effectively, honestly and in the best interest of the Group.

3. FIT AND PROPER CRITERIA

The assessment procedures shall be in a form of due diligence taking into account, included but not limited to, the following fit and proper criteria conducted by the NC and declarations by each individual candidate or Director:

3.1 Character and Integrity

a. 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; and
- has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters pertaining to the person's honesty, integrity or business conduct.

b. 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 (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns about personal integrity; and
- has not abused other positions (i.e. that he or she held including political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance and professional ethics.



- c. Financial Integrity
 - manages personal debts or financial affairs satisfactorily; and
 - demonstrates the ability to fulfil personal financial obligations as and when they fall due.
- d. Good Reputation
 - is of good repute in the financial and business community;
 - has not been convicted of any offences, or been imposed on any public sanctions by the relevant regulatory bodies for the past 5 years (other than traffic offences);
 - 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;
 - has not been previously or currently reprimanded by the Securities Commission Malaysia, Bursa Securities, Companies Commission of Malaysia or any other regulatory authorities in the last ten (10) years; and
 - has not been the subject of civil or criminal proceedings or enforcement action for the past ten (10) years.

3.2 Experience and Competence

- a. 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 boardroom (i.e. a match to the board skill set matrix);
 - has a considerable understanding of the workings of a corporation;
 - possesses general management skills as well as an understanding of corporate governance and sustainability issues;
 - keeps knowledge current based on continuous professional development; and
 - possesses leadership capabilities and a high level of emotional intelligence.
- b. 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.



- c. Relevant past performance or track record
 - 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; and
 - possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

3.3 Time and Commitment

- a. Ability to discharge role having regard to other commitments
 - able to devote time as a Board Member, having factored in other outside obligations including existing board positions held by the Director in other listed issuers and non-listed entities (including non-profit organisations).
- 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 exemplifies readiness to participate in events outside the boardroom;
 - manifests passion in the vocation of a Director;
 - exhibits the ability to articulate views independently, objectively and constructively; and
 - exhibits open-mindedness to the views of others and the ability to make a considered judgment after hearing the views of others.

4. REVIEW OF THIS POLICY

The NC will review this Policy from time to time and make recommendation on any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices including that this Policy is in compliance with the requirements of Sik Cheong, Listing Requirements and/or any other regulatory that may be imposed from time to time.

Any changes to the terms of this Policy shall be subject to the approval of the Board. This Policy is made available for reference on the Company's website.

This Policy (Version No. 1) was reviewed and adopted by the Board on 28 December 2023.