

MALAKOFF CORPORATION BERHAD

DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

As part of the Company's efforts to enhance the process of appointment and re-election of directors in Malakoff Corporation Berhad ("**MCB**" or "**Company**") and its subsidiaries ("**MCB Group**"), MCB has adopted a Directors' Fit and Proper Policy ("**Policy**") in compliance with Paragraph 15.01A of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") and any other applicable rules and regulations.

2. OBJECTIVE

The Policy sets out the fit and proper criteria and due diligence process for appointment and re-election of directors that would guide the Board Nomination and Remuneration Committee ("**BNRC**") and Board of Directors ("**Board**") of MCB in reviewing and assessing the suitability of candidates to be appointed on the Board and the MCB Directors who are seeking for re-election at the general meeting.

This is to ensure that the directors selected to steer the Group's affairs and business direction are equipped with the requisite knowledge, experience, expertise, qualification and competency as well as commitment to allocate adequate time to effectively discharge their duties as directors of the Company. Board quality and integrity are paramount to the Company's effective execution of its strategic plans towards achieving its ultimate goal and mission.

3. FIT AND PROPER CRITERIA

In order for a candidate to be qualified for new appointment or a director to be re-elected as Director within MCB Group, the BNRC and Board would consider various factors including but not limited to the following criteria:

3.1 Character and integrity:

3.1.1 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.

3.1.2 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.

3.1.3 Financial integrity

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

3.1.4 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.

3.2 Experience and competence

3.2.1 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 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;
- possesses leadership capabilities and a high level of emotional intelligence.

3.2.2 Relevant experience and expertise

- possesses relevant experience and expertise with due consideration given to the past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

3.2.3 Relevant past performance or track record

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

3.3 Time and commitment

3.3.1 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).

3.3.2 Participation and contribution to the board or track record

- demonstrates a willingness to participate actively in board activities;
- demonstrates a 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;
- exhibits open-mindedness to the views of others and the ability to make a considered judgment after hearing the views of others.

4. FIT AND PROPER POLICIES AND PROCEDURES

- 4.1 The BNRC and Board shall be directly responsible for conducting assessments on the fitness and propriety of directors and making decisions on their appointments or re-elections.
- 4.2 The BNRC will assess each candidate/incumbent for new appointment or for him/her to continue holding the position as director based on the criteria as stated in Clause 3 of the Policy prior to making relevant recommendation to the Board on the proposal regarding appointment and re-election of director.
- 4.3 The BNRC will consider the factors set out in Clause 3 in assessing whether the candidate/incumbent meets the fit and proper requirements. The factors will be assessed, individually and 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 BNRC will consider the specific circumstances surrounding a person'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.
- 4.4 The candidate for the new appointment is required to disclose any business interest and/or other interest that may result in a conflict of interest together with a self-declaration in a form to be determined by the Company from time to time.
- 4.5 The fit and proper assessment on prospective or existing directors within the scope of this Policy shall be conducted prior to initial appointment or proposed re-election as director. The fit and proper assessment on a director may also be conducted whenever the Company becomes aware of information that may materially compromise a director's fitness and propriety.
- 4.6 The necessary actions should be taken when a director is assessed to be no longer fit and proper for a specific reason.

5. REVIEW OF THE POLICY

This Policy shall be reviewed periodically by the Board together with BNRC, as and when required, in accordance with the needs of the Company, the MMLR of Bursa Malaysia and/or any other applicable laws enforced at the time being, to ensure its effectiveness.

This Policy was approved and adopted by the Board on 30 June 2022.