

Policy & Procedural Manual



Policy Title : Fit & Proper Policy

Policy Number : 103

Effective Date : 22 March 2024

Approved by : Board of Directors

FIT & PROPER POLICY

1.0 INTRODUCTION

This Fit and Proper Policy (“the Policy”) sets out the fit and proper criteria for Directors of TMK Chemical Bhd and its subsidiaries (“Group”). This Policy shall guide the Nominating and Remuneration Committee (“NRC”) in their review and assessment of candidates that are to be appointed on the Board as well as existing Directors who are seeking for re-election.

2.0 FIT AND PROPER CRITERIA

In assessing the candidates identified to be appointed as Directors of the Group and/or existing Directors of the Group who are seeking for re-election, the NRC will take into consideration of the following criteria:

2.1 CHARACTER AND INTEGRITY

2.1.1 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.

2.1.2 PERSONAL INTEGRITY

- Has not perpetrated or participated in any business practices which are deceitful, corrupt, 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 on personal integrity.
- Has not abused his or her positions held in the company or other positions held (e.g. political appointment or public office etc.) to facilitate his or her affairs or affairs of the company or relations with the government for and/or on behalf of the company in a manner that is against the principles of good governance.

2.1.3 FINANCIAL INTEGRITY

- Manages personal debts or financial affairs satisfactorily.
- Demonstrates the ability to fulfil personal financial obligations as and when they fall due.
- Have not been subjected to a judgment debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.

2.1.4 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 5 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.

2.2 EXPERIENCE AND COMPETENCE

2.2.1 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's skill set matrix).
- Has a considerable understanding on the workings of a corporation.
- Possesses general management skills as well as understanding of corporate governance and sustainability issues.
- Keeps current and up to date knowledge via continuous professional development.
- Possesses management and leadership capabilities and a high level of emotional intelligence.

2.2.2 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.

2.2.3 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.
- Possesses commendable past performance record as gathered from the results of the Board effectiveness evaluation.

2.3 TIME AND COMMITMENT

2.3.1 ABILITY TO DISCHARGE THE ROLE HAVING REGARD TO OTHER COMMITMENTS

Fit & Proper Policy (Con't)

- Able to devote sufficient time as a Board member, having factored in other external obligations including concurrent board positions held by the Director across listed companies and/or non-listed companies (including not-for-profit organisations).

2.3.2 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 judgment after hearing the views of others.

3. ASSESSMENT

The fit and proper assessments for a new appointment or re-election of Directors of TMK Chemical Bhd shall be conducted by NRC before recommending the appointment or re-election to the Board for approval.

The fit and proper assessments for Directors of subsidiaries shall be delegated to and conducted by the respective subsidiaries' board of directors.

The fit and proper assessment on an existing Director may also be conducted whenever the Company becomes aware of information that may materially compromise the Director's fitness and propriety.

The results of the assessments are part of the Group's confidential internal documents and shall not be disclosed or provided to any other party.

4. REVIEW

The NRC will review this Policy from time to time and as and when required to ensure its appropriateness and effectiveness. Any revision to the Policy as recommended by NRC will be submitted for Board's approval.