

**DIRECTORS' FIT AND PROPER POLICY**  
**FAR EAST HOLDINGS BERHAD**  
**[Company No.: 197301001753 (14809-W)]**  
(Incorporated In Malaysia)

**1. INTRODUCTION**

- 1.1 The Directors' Fit and Proper Policy ("Policy") is established pursuant to the implementation of newly amended Paragraph 15.01A of the Main Market Listing Requirements by Bursa Malaysia Securities Berhad.
- 1.2 The amended provision requires the Company to publish the Policy on its website and to report the Policy's application during the financial year in the Company's Annual Report's Nomination Committee statement ("NC statement").

**2. PURPOSE**

- 2.1 This Policy has been prepared to ensure compliance with the relevant provisions of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the Malaysian Code of Corporate Governance 2021 ("MMCG"). Reference also made to the guidance provided in Bursa Malaysia Corporate Governance Guide (4<sup>th</sup> Edition).
- 2.2 This Policy set out the fit and proper criteria for the appointment and re-appointment of Directors on the Boards of Far East Holdings Berhad and its subsidiaries.
- 2.3 To ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of Far East Holdings Berhad and its subsidiaries.
- 2.4 The criteria is intended to serve as a guide to the Nomination & Remuneration Committee ("NC" and "RC" respectively) and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.

### 3. FIT AND PROPER CRITERIA

3.1 Any person to be appointed or re-elected as a Director of the Company or its subsidiaries must not be disqualified pursuant to Section 198(1) of the Companies Act 2016 and Paragraph 15.05(1) of the MMLR. The fit and proper criteria of a Director include but not limited to the following:

#### 3.1.1 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

(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 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 five (5) years

3.1.2 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.

3.1.3 Experience and Competence

(i) 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 on the business and workings of a corporation
- Possesses general management skills as well as 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

(ii) 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

(iii) 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

3.1.4 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 judgment after hearing the views of others

#### **4. THE ASSESSMENT**

- 4.1 The Nomination Committee will assess each person for a new appointment or re-appointment of Directors based on the criteria set under Clause 3.1 before recommending to the Board for approval.
- 4.2 Based on the high-level and baseline considerations outlined in Clause 3.1 above, the Board and the Nomination Committee may discuss and determine prescriptions and specifications based on its specific circumstances, needs and requirements. These considerations should be periodically assessed and reviewed by the Board and the Nomination Committee to ensure their relevance and alignment with the organisations needs and structure.
- 4.3 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other third party without permission having first obtained from the Company.

#### **5. ASSESSMENT OF FITNESS AND PROPRIETY OF DIRECTORS**

- 5.1 The fit and proper assessments on each Director within the scope of this Policy shall be conducted by the Company both prior to initial appointments and at regular intervals of at least biennially or whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.
- 5.2 Each Director shall submit biennially a fit and proper declaration to Company Secretary for the conditions to be assessed.
- 5.3 The Company will consider the factors set out in Clause 3.1 above in assessing a Director's fitness and propriety. The factors shall be assessed 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.
- 5.4 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 judgment

are required in order to properly perform the duties associated with the said position.

## **6. REVIEW OF THE POLICY**

6.1 The Nomination Committee shall recommend any change to the Policy as deemed appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.

## **7. APPROVAL**

7.1 This Fit and Proper Policy was reviewed and approved by the Board of Directors on **14 June 2022**.