



# **WARISAN TC HOLDINGS BERHAD**

Registration No. 199701009338 (424834-W)

## **DIRECTORS' FIT AND PROPER POLICY**

| Version | Effective Date |
|---------|----------------|
| 0       | 25 May 2022    |



## **1. PURPOSE**

1.1 The purpose of this Policy is to:

- (i) set out the fit and proper criteria for the appointment of prospective Director and re-election of retiring Directors on the Boards of Warisan TC Holdings Berhad ("Warisan" or "the Company") and its subsidiaries;
- (ii) ensure that each of the Directors has the character, integrity, experience, competence, time and commitment to effectively discharge his/her role as a Director of Warisan and/or its subsidiaries; and
- (iii) serve as a guide to the Evaluation Authorised Persons (as defined under Item 3.1 below) and the Board of Directors of Warisan in their review and assessment of prospective Directors for appointment as well as retiring Directors who are seeking for re-election.

1.2 The overarching criteria in relation to the Policy are outlined below:

- (a) Character and Integrity;
- (b) Experience and Competence; and
- (c) Time and Commitment.

1.3 Interpretation

(i) In this Policy:

"Board" means the Board of Directors of Warisan or its subsidiaries;

"Covered Persons" means the prospective Director for appointment and retiring Director seeking for re-election;

"Group" means the Company and its subsidiaries; and

"NRC" means the Nominating and Remuneration Committee of Warisan.

## **2. FIT AND PROPER CRITERIA**

The assessment on the fitness and propriety of the Covered Persons of the Company and/or its subsidiaries shall be benchmarked against the fit and proper criteria based on, as a minimum, the factors set out below.



2.1 The fit and proper criteria of a Director include the following:

**2.1.1 Character and Integrity**

- (i) Probity
  - (a) is compliant with legal obligations, regulatory requirements and professional standards; and
  - (b) has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court;
- (ii) Personal integrity
  - (a) 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;
  - (b) service contract (i.e., in the capacity of Management or Director) had not been terminated in the past due to concerns on personal integrity; and
  - (c) has not abused other positions (i.e., political appointment) to facilitate government relations for the Company or its subsidiaries in a manner that contravenes the principles of good governance.
- (iii) Financial integrity
  - (a) manages personal debts or financial affairs satisfactorily; and
  - (b) demonstrates ability to fulfil personal financial obligations as and when they fall due.
- (iv) Reputation
  - (a) is of good repute in the financial and business community;
  - (b) has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years; and
  - (c) 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.



### **2.1.2 Experience and competence**

- (i) Qualifications, training and skills
  - (a) possesses education qualification that is relevant to the skillset that the Director is earmarked to bring to bear onto the boardroom (i.e., a match to the board skillset matrix vis-à-vis the needs of the Company or its subsidiaries);
  - (b) has a considerable understanding on the business and workings of a corporation;
  - (c) possesses general management skills as well as understanding of corporate governance and sustainability issues;
  - (d) keeps knowledge current based on continuous professional development; and
  - (e) possesses leadership capabilities and a high level of emotional intelligence.
- (ii) Relevant experience and expertise
  - (a) 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
  - (a) 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
  - (b) possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

### **2.1.3 Time and commitment**

- (i) Ability to discharge the designated role, having regard to other commitments
  - (a) able to devote time as a Board member, considering other outside obligations including concurrent board or other 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
  - (a) demonstrates willingness to participate actively in Board activities;
  - (b) demonstrates willingness to devote time and efforts to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
  - (c) manifests passion in the vocation of a Director;
  - (d) exhibits ability to articulate views independently, objectively and constructively; and
  - (e) exhibits open-mindedness to the views of others and ability to make considered judgment after hearing the views of others.

### **3. ASSESSMENT OF FITNESS AND PROPRIETY**

- 3.1 The assessment of the Covered Persons shall be conducted by the following persons ("Evaluation Authorised Persons") before recommending to the Boards of Warisan and/or its subsidiaries for approval:

|                                 | <b>Evaluation Authorised Persons</b>  |
|---------------------------------|---|
| Covered Persons of Warisan      | NRC   |
| Covered Persons of Subsidiaries | (i) Group Chief Executive Officer;<br>(ii) President of Warisan; or<br>(iii) NRC. |

- 3.2 The Evaluation Authorised Persons and the Board may further consider and determine the prescriptions and specifications based on specific circumstances, needs and requirements, such as specification on skills, knowledge, minimum years of experience at a senior level that a candidate should have as a Director for an appointment to the Boards of Warisan and/or its subsidiaries, and to ensure their relevant alignment with the organisational needs and structure.
- 3.3 The fit and proper assessments on the Covered Persons within the scope of this Policy shall be conducted prior to the initial appointments and at regular intervals or whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.



- 3.4 For the purpose of assessment, the Covered Persons shall complete the prescribed declaration form. The Evaluation Authorised Persons shall consider the Fit and Proper criteria under item 2.1 to the best of their knowledge and shall be entitled to rely on the declaration made by the Covered Person in the prescribed form.
- 3.5 The Evaluation Authorised Persons or the Boards of Warisan and/or its subsidiaries may engage independent third parties to conduct any searches or to further verify the information declared by the Covered Persons and/or obtain further information the NRC or the Board deems pertinent.
- 3.6 The results of the assessments are part of the Group's internal documents and shall not be disclosed or provided to any other party.

#### **4. REVIEW OF THE POLICY**

The NRC shall review this Policy at least once every two (2) years, or at shorter intervals, if need be, to ensure that the Policy remains current with respect to prevailing laws and regulatory requirements. All revisions or amendments to this Policy as recommended by the NRC shall be submitted to the Board of Warisan for consideration and approval.

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