



## FIT AND PROPER POLICY

### 1. Introduction

As part of the commitment by Eastern & Oriental Berhad (“the Company”) to ensure rigorous and transparent process for the appointment and re-appointment/re-election of the Directors of the Company and its subsidiaries (“the Group”), the Company had adopted the Fit and Proper Policy in compliance with Paragraph 15.01A of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

### 2. Objectives

This policy set out the criteria to be used for the Fit and Proper assessment of the Directors of the Group upon appointment and re-appointment/re-election covering the three (3) high-level considerations:

- i. Character and Integrity
- ii. Experience and competence
- iii. Time and commitment

### 3. Criteria

#### 3.1. Character and Integrity

##### Probity

- 3.1.1. The Director is compliant with legal obligations, regulatory requirements and professional standards, where applicable.
- 3.1.2. The Director has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

##### Personal Integrity

- 3.1.3. The Director 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.
- 3.1.4. The Director’s service contract (i.e. in the capacity of management or as a director) had not been terminated in the past due to concerns on personal integrity.
- 3.1.5. The Director 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.

##### Financial Integrity

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



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### Reputation

- 3.1.8. The Director is of good repute in the financial and business community.
- 3.1.9. The Director has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.
- 3.1.10. The Director 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

#### Qualifications, training and skills

- 3.2.1. The Director 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).
- 3.2.2. The Director has a considerable understanding on the workings of a corporation.
- 3.2.3. The Director possesses general management skills as well as understanding of corporate governance and sustainability issues.
- 3.2.4. The Director keeps knowledge current based on continuous professional development.
- 3.2.5. The Director possesses leadership capabilities and a high level of emotional intelligence.

#### Relevant experience and expertise

- 3.2.6. The Director 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.

#### Relevant past performance or track record

- 3.2.7. The Director 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.
- 3.2.8. The Director possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

### 3.3. Time and Commitment

#### Ability to discharge role having regard to other commitments

- 3.3.1. The Director able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the Director



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across listed issuers and non-listed entities (including not-for-profit organisation).

### Participation and contribution in the board or track record

- 3.3.2. The Director demonstrates willingness to participate actively in board activities.
- 3.3.3. The Director demonstrates willingness to devote time and effort to understand the business and exemplifies readiness to participate in events outside the boardroom.
- 3.3.4. The Director manifests passion in the vocation of a director.
- 3.3.5. The Director exhibits ability to articulate views independently, objectively and constructively.
- 3.3.6. The Director exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

## **4. Procedure for Fit and Proper Assessment**

- 4.1 A person who has been identified for appointment or re-appointment/re-election as Director shall be required to make the fit and proper declaration in the prescribed form by the Company and submit to Nomination, Remuneration and Scheme Committee ("NRSC") for assessment.
- 4.2 The NRSC should review and recommend each appointment and re-appointment/re-election of the Director.
- 4.3 Failure to meet one (1) factor on its own does not necessarily mean failure to meet the fit and proper criteria. The NRSC will consider the specific circumstances surrounding a person's failure to meet specific factors, including 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 Group.
- 4.4 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.

## **5. Periodic Review and Disclosure**

The NRSC shall conduct a review as and when required of the criteria to be used in the fit and proper declaration.