

1. Objectives

Malpac Holdings Berhad and its subsidiaries (collectively “**Malpac**”) are committed to ensuring that its Directors and Key Officers of Malpac are fit and proper to manage the duties and responsibilities related to the key roles they are appointed to.

The primary objectives of this Fit and Proper Policy are to:

- Provide guidelines to assess whether Malpac’s Directors and Key Officers are fit and proper with reference to the spirit of the Fit & Proper Guidelines issued by the Bank Negara Malaysia (“**BNM**”) and Malaysian Code on Corporate Governance (“**MCCG**”);
- Provide the minimum standards for determining fitness and properness of persons who hold, or are being considered for appointment to be a Director or Key Officers of Malpac;
- Improve the corporate governance framework within Malpac; and

2. Application

This policy applies to all Directors and Key Officers in Malpac and its subsidiaries (hereinafter known as “**Covered Person**”).

A Key Officer is:

- Chief Executive Officer (“**CEO**”)
- Chief Financial Officer (“**CFO**”)

3. Fit and Proper Assessment

A Covered Person is considered fit and proper if they:

- Pass the relevant Fit and Proper Assessment as per **Appendix A** to the satisfaction of Malpac;
- Sign the Fit and Proper Declaration in the Fit and Proper Assessment without amendment and there is no other information available that contradicts the information in the declaration;
- Possess the required qualifications for the actual position; and
- Provide the required documentation to support the required qualifications.

If a person cannot sign the Declaration without qualification and /or amendment they will not be deemed a fit and proper person unless the Board, in its sole discretion, is satisfied that any failure to meet a particular criterion within the Declaration will not impair the person’s ability to discharge the duties of the position.

Each of the criteria used in assessing fitness and properness for the role must be considered in conjunction with the specific circumstances of the incident and the time elapsed since occurrence. The Board that will be responsible for assessing whether or not a person is fit and proper is set out in section 4.

4. Responsibilities

The allocation of responsibility is described below:

4.1 Board of Directors

The Board of Directors of Malpac is the owner of this policy.

The Board will ensure that it has a full range of skills, knowledge and experience and /or access to specific skills, knowledge and experience to run Malpac and its subsidiaries operations. Any specific skills, knowledge and expertise in accordance to the Board Charter.

The Board of Directors has the authority to approve a Director or Key Officer to be fit and proper for the position they hold and for determining remedial action in situations where a Director or relevant Officer is determined not to be fit and proper for a position. The Director being assessed will not be considered part of the Board for these purposes.

If there is a conflict of interest between the Board and the person being assessed (actual or perceived) the Board must consider if there is a material risk to the objectivity of the assessment. If there is a material risk, the Board may appoint another person that can approve the fit and proper assessment. That person must first pass a Fit and Proper assessment conducted by the Board.

4.2 Directors and Key Officers (Covered Persons) are responsible for:

- Completing the Fit and Proper assessment and declaration once every three (3) years;
- Providing consent to the Board of Directors to conduct background check on the said declaration if required; and
- Providing relevant information and documentation to the Board of Directors if required for assessing fitness and properness.

4.3 Nomination Committee

The Nomination Committee will ensure:

- Fit and Proper assessments are conducted for all new Director and relevant Officer appointments; and
- Fit and proper assessments of incumbent Directors and Key Officers are conducted every three (3) years;

4.4 Audit Committee

The Audit Committee are responsible for ensuring compliance with this Policy.

5. Assessment/Evaluation process

5.1: Fit and Proper Assessment

Each person covered by this policy must, prior to appointment:

- 1) Complete and sign the Fit and Proper Assessment in Appendix A;
- 2) Provide relevant documentation for qualifications and other relevant experience;

Steps 1 and 2 must be performed at least once every three (3) years during the period the persons are covered by the policy.

5.2: Evaluation by the Board of Directors

The Board must assess that the Covered Person meets the Fit and Proper Assessment, which must be made prior to the appointment and repeated at least every three years or earlier if there is a notified or suspected change in a person's circumstances. An adverse finding in one area may not necessarily render a person unfit or improper to hold the position. In some cases, the surrounding circumstances may be taken into account.

6. Persons not fit and proper

A Covered Person who is considered not to be fit and proper will be immediately advised and be given the opportunity to provide additional information in support of their assessment. This additional information must be provided within 14 days of the Board's assessment and will be considered prior to making a final decision regarding the fitness and properness of the person.

7. Compliance

Malpac requires its Directors and Key Officers to take all practicable steps to comply with this Policy. Compliance with this policy will be periodically monitored by Audit Committee. Any known or suspected instances of non-compliance will be reported to the Audit Committee for full investigation and appropriate disciplinary action. Failure to provide relevant and timely information for assessing the fitness and properness of a person is considered serious misconduct and will result in disciplinary action which may lead to dismissal.

8. Policy awareness

A copy of this policy will be uploaded to the Company's website and will be provided to all current Covered Persons and to any person who is nominated, appointed or intended to be appointed to the role of Director, CEO and CFO.

Last Update on 1 March 2022.

Appendix A: Fit and Proper Assessment

(i) Directors'/key officers' evaluation form

The Evaluation Form provides ratings from one (1) to four (4), or 'yes' and 'no', with the indicators illustrated below, to be responded in relation to the nature of the questions:

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Yes, always	Yes, most of the time	Yes, but seldom	No
or			
4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Above average	Average	Below average	Poor
or			
Yes <input type="checkbox"/>			No <input type="checkbox"/>
Yes			No

Where a particular criterion is deemed not applicable, it shall be indicated as 'Not Applicable' in the comment box.

Name of director/key officer:

Section A: Fit and Proper

- Has not been questioned, of his/her honesty, integrity, professional conduct or business ethics/practices which are deceitful, oppressive or improper and investigated on complaints lodged

Yes <input type="checkbox"/>			No <input type="checkbox"/>
Comment:			

- Has shown willingness to maintain effective internal control systems and risk management practices

Yes <input type="checkbox"/>			No <input type="checkbox"/>
Comment:			

- Possesses relevant qualification, knowledge, experience and ability to understand the technical requirements, risk and management of the company's business

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Section B: Contribution and performance

4. Probes management to ensure management has taken, and suggests management to take into consideration the varying opportunities and risks whilst developing strategic plan (this plan may or may not be in writing as long as minutes of meeting provide a discussion of such strategy)

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

5. Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

6. Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

7. Receives feedback from board and/or committee and incorporates feedback obtained into decision-making process in an objective manner

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

8. Defends own stand through constructive deliberations at board and/or committee meetings, where necessary

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

9. Tackles conflicts and takes part in proposing solutions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

10. Offers practical and realistic advice to board and/or committee discussions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

11. Takes initiative to demand for additional information, where necessary

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

12. Tests quality of information and assumptions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

13. Reviews and relates short-term concerns to long-term strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

14. Contributes to risk management initiatives

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

15. Contributes personal knowledge and experience into the consideration and development of strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

16. Facilitates objective-oriented decision-making process

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

17. Prioritises context of issues to be in line with objectives

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

18. Effectively and proactively follows up on areas of concern

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

19. Demonstrates willingness to devote time and effort to understand the company, its business and displays readiness to participate in events outside the boardroom such as site visits

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Section C: Calibre and personality

20. Acts in good faith and with integrity

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

21. Attends meetings well prepared and adds value to board and/or committee meetings

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

22. Works constructively with peers, the company secretary and senior management

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

23. Offers insight to matters presented with requisite knowledge and skills, and shares information

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

24. Encourages others to get things done, is decisive and action-oriented

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

25. Articulates in a non-confrontational and comprehensible manner

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

26. Understands individual roles and responsibilities and ensures contribution is contemporary with developments

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

27. Behaviour engenders mutual trust and respect within the Board and with other key officers

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

28. Communicates effectively with shareholders

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

29. Constructively challenges and contributes to the development of strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

30. Scrutinises the performance of management in meeting agreed goals and objectives and monitors reporting of performance

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

31. Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Checked and compiled by:

Name:
Designation:

(ii) Fit and Proper Declaration by the Director or Key Officer

I declare that I am a fit and proper person within the meaning of Fit and Proper Policy issued by Malpac. I specifically declare that:

- 1) I have the educational or technical qualifications, competence, diligence, judgement, character, honesty and integrity required to satisfactorily discharge the responsibilities of the position I hold or seek appointment to;
- 2) I have not been concerned with or taken part in the management of a company that has:
 - a) been put into liquidation, receivership, voluntary administration, or another insolvency procedure or has otherwise been wound up or dissolved on the basis that it could not pay its debts when due; or
 - b) been declared to be subject to statutory management or judicial management; or
 - c) been subject to an arrangement or process under the laws of an overseas jurisdiction that corresponds, or is similar; or
 - d) entered into any procedure or arrangement with its creditors on the basis that it is unable to pay its debts when due, for example a moratorium arrangement;
- 3) I have not been the subject of civil or criminal proceedings or been found by a court or tribunal to have:
 - a) engaged in an act, omission, or course of conduct that constitutes serious wrongdoing; or
 - b) aided, abetted, counselled, or procured any other person to engage in an act, omission, or course of conduct that constitutes serious wrongdoing;
- 4) I have not at any time been adjudged bankrupt or otherwise entered into a procedure provided under Malaysia Insolvency Act 2020.
 - a) If you have been discharged from bankruptcy or any other procedure provided for under that Part please state the time that has elapsed since you have been discharged: _____
- 5) I am not the subject of current disciplinary action in respect of a profession or occupation (being disciplinary action taken by a regulatory or disciplinary body for persons engaging in that profession or occupation) and I have never been the subject of disciplinary action of that kind that has involved a finding of guilt, however expressed;
- 6) I have no conflict or potential conflict of interest (direct or indirect) that affects, or may affect, my proper performance of the duties of this position;
- 7) I have not engaged in or been associated with any conduct that could pose a brand and reputation risk to Malpac.
- 8) I have not been convicted of any offence.

I acknowledge that Malpac may conduct checks and obtain references to establish that I am a fit and proper person and I provide my consent to Malpac to perform any relevant checks including criminal history checks and professional and occupational checks in Malaysia and overseas if required, and that any false statement I make in this declaration may lead to dismissal or removal from the Board of Directors or the from the position I have been appointed to.

.....
Signature of Director,
or Key Officer

Date:.....