

DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

The Board of Directors ("**Board**") of Tuju Setia Berhad ("**Company**") has adopted the Directors' Fit and Proper Policy ("**Policy**") to ensure a formal, rigorous and transparent process for the appointment and re-election of directors of the Company and its subsidiary.

2. OBJECTIVES

This Policy serves as a guide to the Nomination & Remuneration Committee ("**NRC**") and the Board in their review and assessment of candidates to be appointed to the Board with the objectives of ensuring the Board fulfils the requisite fit and proper criteria and includes a diverse mixture of skills, professional and industry backgrounds, business experience and expertise, gender, ethnicity and age for effective functioning and succession.

3. FIT AND PROPER CRITERIA

For the purpose of establishing whether a person is fit and proper and suitable to hold directorship in the Company, the NRC and the Board shall be guided by the following criteria:

3.1 Character and integrity

a) Probity

- The Director is compliant with legal obligations, regulatory requirements and professional standards.
- The Director has not been obstructive, misleading or untruthful in dealings with regulatory bodies.

b) Personal Integrity

- 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 or her professional conduct.
- The past service contract(s) of the Director in the capacity of management or Director had not been terminated due to concerns on personal integrity.
- The Director has not abused other positions (i.e political appointment) to facilitate government relations for the Group in a manner that contravenes the principles of good governance.

c) Financial Integrity

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

d) Reputation

- The Director is of good repute in the financial and business community.
- 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

a) Qualification, trainings and skills

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

b) Relevant experience and expertise

- 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.

3.3 Time and commitment

a) Ability to discharge role having regard to other commitments

- The Director is able to devote time as a Board member, having factored other outside obligations including concurrent Board positions held by the Director across public listed companies and non-listed companies (including non-profit organisations).

b) Participation and contribution in the Board or track record

- The Director demonstrates willingness to participate actively in Board activities.
- The Director demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the Boardroom.
- The Director manifests passion in the vocation of a Director.
- The Director exhibit ability to articulate views independently, objectivity and constructively.
- The Director exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. EVALUATION OF A CANDIDATE FOR DIRECTORSHIP OR RE-APPOINTMENT OF DIRECTOR

4.1 The NRC will evaluate candidates for new appointment as Directors based on the fit and proper criteria as spelt out in 3.0 above before recommending to the Board for approval.

4.2 For re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Form. The NRC has the power not to recommend to the Board the re-appointment of retiring Directors who do not meet the policy requirements.

4.3 For new appointment, the candidate is required to complete a Director profile assessment form. The candidate will also be required to complete a self-declaration of fit and proper form and authorise the Company to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.

4.4 The information gathered from the assessments shall be strictly for the use of NRC for the purpose of the assessment and not for public disclosure.

5. REVIEW OF THE POLICY

The NRC is responsible for regular review of the Policy and for making any recommendation as and when it deemed fit. The Policy shall be aligned to any legal or regulatory changes and the best practices under the Malaysian Code on Corporate Governance. The changes to the terms of the Policy shall be subject to the approval of the Board.

(This Policy was approved and adopted by the Board on 23 June 2022)