

CAB CAKARAN CORPORATION BERHAD

(200201015998) (583661-W)

(Incorporated in Malaysia)

DIRECTORS' FIT AND PROPER POLICY**1. INTRODUCTION**

- 1.1 CAB Cakaran Corporation Berhad ("CAB or "the Company") has adopted the Directors' Fit and Proper Policy to ensure a formal, rigorous and transparent process for the appointment and re-election of directors of the Company and its subsidiaries ("the Group").
- 1.2 This Policy will enhance the governance of the Company in relation to the Board's quality and integrity, as well as to ensure that each of its Director has the character, experience, integrity, competence, time and commitment to effectively discharge his/her role as a Director.
- 1.3 In formulating this policy, the Company is obliged to comply with the requirements contained in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other applicable rules and regulations at the prevailing country to ensure compliance with the obligations imposed.

2. OBJECTIVE

This Policy serves as a guide to the Nomination Committee ("NC") and the Board of Directors (the "Board") in their review and assessment of candidates who are to be appointed onto the Board as well as directors who are seeking for re-election as directors of the Group ("Candidates" or "person") in complying with the rules of MMLR.

3. FIT AND PROPER CRITERIA

The general criteria that form the overarching criteria in relation to whether a person is fit and proper to hold a position of Director, the Company shall have regard to the Candidate's:

- (i) **Probity, personal integrity and reputation** - person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
- (ii) **Competence and capability** - person must have the necessary skills, experience, ability and commitment to carry out the role.
- (iii) **Financial integrity** - person must manage his debts or financial affairs prudently.

The assessment of the above criteria shall have regard to the considerations set out below in paragraph 3.1 to 3.3 of these Guidelines. In accessing of a candidate under this Policy, the NC and the Board shall consider the following guidelines:



3.1 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.

(ii) Financial integrity

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

(iii) 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 10 years;
- 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

(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 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 organization, and was accountable for driving or leading the organization's governance, business performance or operations;
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

3.3 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 organizations).

(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.

4.0 RESPONSIBILITIES

4.1 RESPONSIBILITIES OF THE BOARD

4.1.1 The Board and the Nomination Committee shall be directly responsible for conducting assessments on the fitness and propriety of directors to be appointed onto the Board as well as directors who are seeking for re-election as directors of the Group. The Board shall make the final decisions on their appointments.

4.1.2 For other key senior management of the Group, decisions on appointments and assessments of fit and proper may be made by the Group Managing Director and/or the Chairman of the Company.

4.1.3 Apart from the criteria outlined in Clause 3 above, the NC and the Board may determine the prescriptions and specifications based on the special circumstances, needs and requirements of the Group, as the case may be.

4.2 RESPONSIBILITIES OF THE NOMINATION COMMITTEE (“NC”)

The NC is responsible for the assessment and applying of the fit and proper requirements of existing directors or candidates for nomination or appointment as a director of the Group, and making recommendations to the Board on these matters.

5. ASSESSMENT OF FITNESS AND PROPERNESS 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 annually or whenever the Company becomes aware of information that may materially compromise a director's fitness and propriety.
- 5.2 The Company will consider the criteria set out in Clause 3 above in assessing a director's fitness and propriety. The criteria shall be assessed individually by taking their expertise towards the field into account. Failure to meet one criteria on its own does not necessarily mean failure to meet the fit and proper criteria.
- 5.3 The Company should exercise the assessment objectively and in the best interests of the Company.

6. REVIEW

The Board will review this Policy periodically and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

This Policy was approved and adopted by the Board on 30 May 2022 and is made available for reference at the Company's website, www.cab.com.my.