



CBH ENGINEERING HOLDING BERHAD
(Registration No. 202301050313 (1544227-V))
(Incorporated in Malaysia under the Companies Act, 2016)

FIT AND PROPER POLICY

Introduction

The Board of Directors (“the Board”) of CBH ENGINEERING HOLDING BERHAD (“the Company”) is committed to the best corporate governance by ensuring that all the directors of the Company, its subsidiaries, and members of its Key Senior Management are with required character, experience, integrity, competence and time to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Company and its subsidiaries (“the Group”).

The Fit and Proper Policy applied to the existing directors of the Company and the subsidiaries seeking for re-appointment or candidates for nomination or appointment as a director or member of the Key Senior Management of the Company and the subsidiaries (exclude the directors appointed by other shareholders of the subsidiaries).

1. Responsibilities

i. The Board

In the application of this Policy, the Board is primarily responsible for ensuring that all Directors of the Group fulfill fit and proper requirements by conducting assessments of the Directors’ fitness and propriety.

The Board is to include the results of the review and assessment and to provide a statement as to whether it supports the appointment of the candidate as director of the Company or reappointment of the existing director of the Company and the reasons thereof.

ii. Nominating Committee (“NC”)

The Board delegates the duty to perform fit and proper assessment on existing directors of the Company and the subsidiaries seeking for re-appointment or candidates for nomination or appointment as a director or member of the Key Senior Management of the Company and the subsidiaries to the NC and making recommendations to the Board on these matters for its review and decision.

iii. Company Secretary

NC is assisted by the Company Secretary with the following duties:

- a) Ensuring that appropriate fit and proper assessments are carried out for each Director candidate;
- b) Making submissions on any matters relevant to a particular assessment of a candidate’s fitness and propriety;
- c) Providing information to the NC on matters concerning the procedures for fit and proper assessments;



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- d) Ensuring that the Company takes all reasonable steps to protect the information and documents collected for fit and proper assessments from misuse, unauthorised access, modifications or disclosure; and
- e) Keeping and maintaining the list(s) of all current Directors, in addition to details of the competencies and training required for each Director.

2. Timing of Review and Assessment

A properly constituted and duly minute meeting of the NC and the Board shall be held, in compliance with the applicable rules, regulations, and constitution and on a timely basis before the appointment and re-appointment, for fit and proper assessment of the existing director or new appointment as a director or member of Key Senior Management of the Company and its subsidiaries.

3. Fit and Proper Criteria

To establish whether a candidate is fit and proper to act as a director or member of the Key Senior Management of the Company shall have regard to the following qualities of the said candidate: -

- (i) Probity, personal integrity and reputation
- (ii) Financial Integrity
- (iii) Experience and competence
- (iv) Time and commitment

- (i) Probity, personal integrity, and reputation

1. 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 of law.

2. Personal integrity

- Has not perpetrated or participated in any business practices that are deceitful, corrupt, 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 about personal integrity.
- Has not abused his or her positions held in the company or other positions held (e.g. political appointment or public office etc.) to facilitate his or her affairs or affairs of the company or relations with the government for and/or on behalf of the company in a manner that is against the principles of good governance.



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(ii) Financial Integrity

Financial integrity is demonstrated by a person who manages his/her financial affairs properly and prudently.

In assessing a person's financial integrity, the NC and the Board must consider all relevant factors, including but not limited to the following:

- (i) whether the person has been and will be able to fulfil his/her financial obligations, whether in Malaysia or elsewhere, as and when they fall due; and
- (ii) whether the person is or has been the subject of any proceedings by a court of law for any sum or debt owed by him/her which is unsatisfied or has been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.

The fact that a person may be of limited financial means does not, in itself, affect the person's ability to satisfy the financial integrity criteria.

(iii) 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 of the business and workings of a corporation.
- Possesses general management skills as well as an 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.



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(iv) Time and commitment

(i) Ability to discharge role having regard to other commitments

- Able to devote time as a board member, having factored in 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 to 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. Review and Approval of This Policy

This Policy will be reviewed by the Board as and when there is change(s) in the Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance and/or any other applicable laws and regulations enforced at the time being.

This policy was approved and adopted by the Board on 5 June 2024.

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