

# Directors' Fit and Proper Policy

## 1. Overview

The Directors' Fit and Proper Policy (“**Policy**”) sets out the approach for the appointment and re-election of Directors of Cuscapl Berhad (“**CUSCAPI**” or “**Company**”) and its subsidiaries.

## 2. Purpose

This Policy sets out the fit and proper criteria for the appointment and re-appointment of Directors of Cuscapl. It serves as a guide to the Nomination & Remuneration Committee (“**NRC**”) and the Board to review and assess the potential candidates who to be appointed to the Board as well as Directors who are seeking for election or re-election.

## 3. Fit and Proper Criteria

To establish whether a person is fit and proper to hold Directorship in CUSCAPI and its subsidiaries (including but not limited to the following), the Company shall have regard to the person:

### 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 and/or judiciary bodies.

#### (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

#### (iii) Financial integrity

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

#### (iv) 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 ten 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*

- has the appropriate qualification, training, skills, practical experience and commitment to fulfil the role and responsibilities of the position effectively
- has a considerable understanding of the 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 the 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 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 in other outside obligations, including concurrent board positions held by the director across listed companies and non-listed companies (including not-for-profit organizations)

#### *(ii) Participation and contribution in the Board or track record*

- demonstrates a willingness to participate actively in board activities
- demonstrates a 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 the ability to articulate views independently, objectively and constructively
- exhibits open-mindedness to the views of others and the ability to make a considered judgment after hearing the views of others

## **4. REVIEW OF THE POLICY**

The NRC shall recommend any change to the Policy as the NRC deems appropriate to the Board for approval. In addition, the terms of the Policy shall be assessed, reviewed and updated where necessary, i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.

*(Adopted on 27 May 2022)*