

CAPE EMS BERHAD
[Formerly known as CAPE EMS MANUFACTURING (M) SDN. BHD.]
[Registration No. 199901026859 (501759-M)]
(Incorporated in Malaysia)

DIRECTORS' FIT AND PROPER POLICY

Directors' Fit and Proper Policy			
Board's Approval Date	Effective Date	Revision Date	Version Number
1 April 2022	1 April 2022	-	-

Version	Date	Summary of Changes

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1. INTRODUCTION

Paragraph 15.01A of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") require Cape EMS Berhad [Formerly known as Cape EMS Manufacturing (M) Berhad] ("Company") and its group of companies ("Cape" or the "Group") to have and publish on its website, a fit and proper policy for the appointment and re-election of directors of the Company and its subsidiaries ("Directors' Fit and Proper Policy"), and to ensure that the Directors' Fit and Proper Policy addresses board quality and integrity and will aid the Company to ensure that each of its Board of Directors ("Board"), Managing Director / Group Chief Executive Officer ("Group CEO") or Group Chief Financial Officer ("Group CFO") has the character, experience, integrity, competence and time to effectively discharge his or her role.

Pursuant to paragraph 15.08A(3) of the MMLR, the Company is required to disclose the application of the Directors' Fit and Proper Policy during the financial year in its annual report under the statement about the activities of the Nominating Committee ("NC") in the discharge of its duties ("NC Statement") Paragraph in line with the MMLR.

In addition, Practice 5.5 of the Malaysian Code on Corporate Governance ("MCCG") recommends that the appointment of Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the Board effectively. The Board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

2. SELECTION CRITERIA

The factors listed below would be used as a reference by the NC in assessing the suitability of a proposed candidate:

- Reputation for integrity
- Utmost personal probity at all times
- Accomplishment and experience in the relevant industry
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, past performance or track record
- Number of directorships

These factors are for reference only, and not meant to be exhaustive and decisive. The NC has the discretion to nominate any person, as it considers appropriate.

Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director of the Company and/or its subsidiaries.

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The NC may request candidates to provide additional information and documents, if considered necessary.

3. NOMINATION PROCEDURES

Step 1	Candidate identified It can be identified based on: (i) the recommendation of the existing Directors, Senior Management staff, shareholders or third-party referrals; (ii) the identification of internal candidates through internal promotion and development plan; or (iii) appropriate identification of external candidates from independent source.
Step 2	Assessment and evaluation to be conducted by the NC The assessment should be conducted based on the abovementioned criteria. For an Independent Director position, additional assessment on independence would need to be carried out. The NC would also need to consider the size and composition of the Board to be in compliance with MMLR and MCGG and to facilitate the making of informed and critical decisions.
Step 3	Recommendation to be made by NC to the Board.
Step 4	Discussion and decision to be made by the Board on the proposed new appointment.

4. CONFIDENTIALITY

Unless required by law or any regulatory authority, under no circumstances shall a member of the NC or a staff member of the Group disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the information is circulated to shareholders, as the case may be, is issued. Following the information disclosure to shareholders or public, the NC or Company Secretary or other staff member of the Group approved by the NC may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and candidates should not be disclosed.

5. REVIEW OF THE POLICY

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This Policy will be reviewed periodically by the Company, updated and approved by its Board as and when necessary to ensure that it remains current and relevant in addressing any ethical issues that may arise within the Group.

6. REVISION OF THE POLICY

The provisions of this Policy can be amended and supplemented from time to time by a resolution of the Board.

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