



# **RALCO CORPORATION BERHAD**

[Company No. 199501003907 (333101-V)]

## **FIT AND PROPER POLICY**

## **1. POLICY PURPOSE**

The purpose of the Fit and Proper Policy is to guide and assist the Nomination Committee, Remuneration Committee and the Board of Directors of Ralco Corporation Berhad and its subsidiaries to assess the appointment of Directors, re-election of Directors and the appointment of Senior Management.

This Fit and Proper Policy is to ensure that candidates for Directors and Senior Management appointments and re-election of directors do qualify for the following three attributes that can contribute to Ralco Corporation Berhad and its subsidiaries, namely:

- a. Character and integrity
- b. Experience and competence; and
- c. Time and commitment.

For the purposes of this policy, Senior Management means employees of "C-Suite" or Chief level including Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Risk Officer (CRO), Chief Technical Officer (CTO) and Chief Compliance Officer (CCO).

## **2. POLICY PRINCIPLES**

The underlying principles to determine whether candidates for directors and senior management appointments and re-election of directors do meet up with this Fit and Proper Policy are outlined below:

### **Character and Integrity**

#### **(a) Probity**

1. Adhered to all the demands of legal and regulatory requirements.
2. Have not been untruthful in words and deeds.
3. Have not been reprimanded or suspended by any professional or regulatory bodies.

**(b) Financial integrity**

1. Managing personal finances well.
2. Absence of legal recovery action filed on the person in Malaysia or elsewhere.
3. Not blacklisted by CTOS or any other credit rating agencies.

**(c) Personal integrity**

1. Have not participated in any practices which are oppressive, deceitful, improper and unprofessional.
2. Have not abused position.
3. Is not involved in any activities that exploits workers and the environment.
4. Not involved in any criminal proceedings for the past 5 years.

**(d) Experience and competence**

1. Possess relevant qualifications.
2. Possess relevant experience.
3. Possess relevant good track record.
4. Possess relevant expertise and skills.
5. Involved in continuous professional development.
6. Good IQ and EQ.
7. Good leadership qualities.
8. Have career that occupies high level position.
9. Ability to speak out objectively, independently, constructively and coherently.
10. Open minded with sound judgement.

**(e) Time and commitment**

1. Able to devote time to discharge duties and responsibilities.
2. Able to commitment to meet and participate in the Board.
3. Not overwhelmed by a myriad of other activities, participations, involvements and appointments that can distract one from being an effective board member.
4. Ready to serve out of the ordinary.

**3. ASSESSMENT**

The Nomination Committee shall assess each candidate for directors and senior management appointments and re-election of directors based on the measures set below under Annexure 1. These questionnaires are based on the POLICY PRINCIPLES given above. Each Nomination Committee member shall evaluate the candidate independently based on his evaluation on the answers. Then the Nomination Committee member shall conclude whether the candidate is suitable or not for the position.

**4. POLICY REVIEW**

This Fit and Proper Policy is subjected to regular reviews carried out by the Nomination Committee. And the said committee shall make its recommendation to the board in regards to such and any reviews.

This Fit and Proper Policy has been approved and authorised by the Board on 25 May 2022.

## ANNEXURE 1

Please rate and circle according to the following scale:

1 = Strongly Agree

4 = Disagree

2 = Agree,

5 = Strongly Disagree

3 = Neutral

ASSESSMENT	RATING
<b>Character and Integrity</b>	
<u>Probity</u>	
1. Adhered to all the demands of legal and regulatory requirements.	1 2 3 4 5
2. Have not been untruthful in words and deeds.	1 2 3 4 5
3. Have not been reprimanded or suspended by any professional or regulatory bodies.	1 2 3 4 5
<u>Financial integrity</u>	
4. Managing personal finances well.	1 2 3 4 5
5. Absence of legal recovery action filed on the person in Malaysia or elsewhere.	1 2 3 4 5
6. Not blacklisted by CTOS or any other credit rating agencies.	1 2 3 4 5
7. Bankruptcy history.	Yes No
<u>Personal integrity</u>	
8. Have not participated in any practices which are oppressive, deceitful, improper and unprofessional.	1 2 3 4 5
9. Have not abused position.	1 2 3 4 5
10. Is not involved in any activities that exploits workers and the environment.	1 2 3 4 5
11. Not involved in any criminal proceedings for the past 5 years.	Yes No

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<b>ASSESSMENT</b>	<b>RATING</b>
<u>Experience and competence</u>	
11. Possess relevant qualifications.	<b>1 2 3 4 5</b>
12. Possess relevant experience.	<b>1 2 3 4 5</b>
13. Possess relevant good track record.	<b>1 2 3 4 5</b>
14. Possess relevant expertise and skills.	<b>1 2 3 4 5</b>
15. Involved in continuous professional development.	<b>1 2 3 4 5</b>
16. Good IQ and EQ.	<b>1 2 3 4 5</b>
17. Good leadership qualities.	<b>1 2 3 4 5</b>
18. Have career that occupies high level position.	<b>1 2 3 4 5</b>
19. Ability to speak out objectively, independently, constructively and coherently.	<b>1 2 3 4 5</b>
20. Open minded with sound judgement.	<b>1 2 3 4 5</b>
<u>Time and commitment</u>	
21. Able to devote time to discharge duties and responsibilities.	<b>1 2 3 4 5</b>
22. Able to commitment to meet and participate in the Board.	<b>1 2 3 4 5</b>
23. Not overwhelmed by a myriad of other activities, participations, involvements, family matters and appointments that can distract one from being an effective board member.	<b>1 2 3 4 5</b>
24. Ready to serve out of the ordinary.	<b>1 2 3 4 5</b>

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Particulars on the assessment:

Candidate's Name: \_\_\_\_\_

Position Considered: \_\_\_\_\_

Date of Interview: \_\_\_\_\_

Recommendation: \_\_\_\_\_

Assessment Done by: \_\_\_\_\_