

Chin Hin Group Berhad

[Company Registration No: 201401021421 (1097507-W)]

Fit and Proper Policy

Dated : 15 April 2022

1. Objectives

The Board of Directors (“Board”) of Chin Hin Group Berhad (“Chin Hin” or “Company”) is committed to ensuring that Directors and relevant Officers of Chin Hin are fit and proper to carry out their duties and responsibilities in the best interest of the Company to promote compliance and good ethical values in relation to the key roles that they are appointed to.

The primary objectives of this Fit and Proper Policy are to:

- Provide guidelines to assess whether Chin Hin’s Directors and Officers are fit and proper in accordance with the fit and proper standard under Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad;
- Provide the minimum standards for determining fitness and propriety of persons who hold, or are being considered for appointment to, a Director or relevant Officer role;
- Strengthen the governance framework within Chin Hin; and
- Promote confidence in Chin Hin and its Directors and Officers.

2. Application

This Policy applies to all Directors and relevant Officers in Chin Hin and its subsidiaries

A relevant Officer is:

- Chief Executive Officer (CEO);
- Chief Financial Officer (CFO); or
- Chief Operating Officer (COO).

3. Fit and Proper Assessment

A person is considered fit and proper if they:

- Pass the relevant checks as per Appendix A to the satisfaction of Chin Hin;
- Sign the Fit and Proper declaration in Appendix B without amendment provided that there is no other information available that contradicts the information in the declaration;
- Possess the required qualifications for the actual position (as set out in Appendix C); and
- Provide the required documentation to support the required qualifications.

If a person cannot sign the Declaration without qualification and /or amendment they will not be deemed a fit and proper person unless the Board, in its sole discretion, is satisfied that any failure to meet a particular criterion within the Declaration will not impair the person’s ability to discharge the duties of the position. If the person in question is a Director, they shall not be considered part of the Board for these purposes.

Appendix C includes considerations that will be applied when evaluating fitness and propriety.

The Board that will be responsible for assessing whether or not a person is fit and proper is set out in section 4.

Each of the criteria used in assessing fitness and propriety for the role must be considered in conjunction with the specific circumstances of the incident and the time elapsed since occurrence.

4. Assessing Fitness and Propriety Responsibilities

The Board shall ensure that it has access to a wide range of skills, knowledge and experience and /or access to specific skills, knowledge and experience in order to run the Chin Hin’s Group operations. Any specific skills, knowledge and expertise that are required will be detailed in the Board Charter.

Directors and relevant Officers (covered persons)

Covered persons are responsible for:

- Signing the Fit and Proper declaration;
- Providing relevant information and documentation required for assessing fitness and propriety;

- Providing consent to the Chin Hin to obtain relevant information for checks listed in Appendix A; and
- Immediately providing information to Chin Hin about any changes in circumstances that may influence the assessment of the individual's fitness and propriety for the role.

Nomination Committee

The Nomination Committee will ensure:

- Fit and proper assessments are conducted for covered persons within three months after the approval of this Policy;
- Fit and Proper assessments are conducted for all new Director and relevant Officer in a situation where conflict of interest occur;
- Fit and Proper assessments are conducted for all new Director and relevant Officer appointments; and
- Fit and proper assessments of incumbent Directors and relevant Officers are conducted;
 - every three years; or
 - for Directors retiring by rotation, at the same time the Director is being evaluated whichever is earlier.

The Board has the authority to approve a Director or relevant Officer to be fit and proper for the position they hold and for determining remedial action in situations where a Director or relevant Officer is determined not to be fit and proper for a position. The Director being assessed will not be considered part of the Board for these purposes.

If there is a conflict of interest situation between the Board and the person being assessed (actual or perceived) the Board must consider if there is a material risk to the objectivity of the assessment. If there is a material risk, the particular Board member who is in a conflict of interest position with the Board must abstain from approving the fit and proper assessment.

5. Assessment process

5.1 Appointment

Each person covered by this Policy must, prior to appointment:

- 1) Provide consent for the checks listed in Appendix A;
- 2) Sign the Fit and Proper declaration (Appendix B);
- 3) Provide relevant documentation for qualifications and other relevant experience;

Steps 1 and 2 must be performed every three years for the persons are covered by this Policy.

The Board must assess that the covered person meets the Fit and Proper requirements. Assessment, which includes completion of the checks listed in Appendix A, must be made prior to the appointment and repeated at least every three years or earlier if there is a notified or suspected change in a person's circumstances. An adverse finding in one area may not necessarily render a person unfit or improper to hold the position. In some cases, the surrounding circumstances may be taken into account in reaching a decision.

Completed assessments must be provided to the Human Resource Department who shall maintain a register of Fit and Proper assessments for covered persons. If the Board unanimously agrees that the individual meets the requirements set out in this Policy, it will sign the appropriate certificate in Appendix D.

5.2 Conflict of interest

Each person covered by this Policy must, upon the arise of conflict of interest situation:

- 1) Provide consent for the checks listed in Appendix A;
- 2) Sign the Fit and Proper declaration (Appendix B);

The Board must assess that the covered person meets the Fit and Proper requirements. Completed assessments must be provided to the Human Resource Department who shall maintain a register of Fit and Proper assessments for covered persons. If the Board unanimously agrees that the individual meets the

requirements set out in this Policy, it will sign the appropriate certificate in Appendix D.

Every Director has a duty to avoid business, financial or other direct or indirect interests or relationships which is in conflict with the interests of the Company or any of its subsidiary. When there is a conflict of interest between a covered person and the Chin Hin Group, the covered person may make a presentation at a committee or Board meeting, but he or she shall abstain from deliberation at the said meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The Chair of the Board with the recommendation from the Nomination Committee ("NC") shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the Board with recommendation from the NC shall determine whether the Chin Hin Group could have obtained, a more advantageous transaction or arrangement from a person or entity that would not have given rise to a position of conflict of interest.

If a more advantageous transaction or arrangement is not possible under the circumstances of not producing a potential conflict of interest, the Board with the recommendation from the NC and Audit Committee shall determine by a majority vote of the disinterested Directors as to whether the transaction or arrangement is fair and reasonable in CHIN HIN's Group best interest, before making a decision to enter into the transaction or arrangement.

6. Persons not fit and proper

A covered person who is considered not to be fit and proper shall be immediately advised and be given the opportunity to provide additional information in support of their assessment. This additional information must be provided within 10 days of the Board's assessment and will be considered prior to making a final decision regarding the fitness and propriety of the person.

Chin Hin will not appoint Directors or relevant Officers in roles where they are assessed not to be fit and proper.

7. Compliance

Chin Hin requires its Directors and relevant Officers to take all practicable steps to comply with this Policy. Compliance with this Policy will be periodically monitored by Internal Audit function. Any known or suspected instances of non-compliance shall be reported to the NC for full investigation and appropriate disciplinary action.

Failure to provide relevant and timely information for assessing the fitness and propriety of a person is considered a serious misconduct and will result in disciplinary action which may lead to dismissal.

8. Collection and Use of Information

Persons assessed under this Policy are deemed to have consented to the collection and use of their personal information for the purpose of assessment under this Policy and /or compliance with the Personal Data Protection Act 2010 ("PDPA").

Persons assessed under this Policy must provide Chin Hin true, accurate and complete information at all times and shall inform the Company of any changes to their personal information. Failure to comply with these requirements may result in disqualification from the Director and relevant Officer appointment process.

Chin Hin shall take all reasonable steps to ensure that the information collected, stored, used and disclosed in relation to this Policy will be stored securely and shall be handled at all times in accordance with the PDPA.

Any information collected, created or compiled by the Board or its Committees and any other person authorised by them shall be kept confidential except when it is required to be disclosed to the Board for the purposes of

supporting Chin Hin's evaluation of a person under this Policy. Materials and information relating to the evaluation of candidates for covered person positions will only be released at the discretion of the Board.

Information collected or used in relation to this Policy will be retained for a reasonable period in accordance with the Chin Hin's Group information Policy.

9. Policy awareness

A copy of this Policy will be provided to all current covered persons and to any person who is nominated, appointed or intended to be appointed to the role of Director, CEO, CFO or COO. A copy of this Policy shall also be available to all employees and contractors on the Chin Hin Group.

10. STATEMENTS

Each Director, relevant Officer and member of a committee with board-delegated powers shall sign a statement which affirms that they:

- 1) Have received a copy of this Policy,
- 2) Have read and understand this Policy, and
- 3) Have agreed to comply with this Policy.

11. Changes to this Policy

Any material changes to this Policy must be approved by the Board of Chin Hin before implementation.

Appendix A: Checklist for Fit and proper assessment

Person	Checks
Directors and relevant Officers	Signed Fit and Proper Declaration (Appendix B)
	Ctos Check
	Bankruptcy Check (Credit check)
	Internet Search for adverse publicity
	Conflict of interest declaration
	Qualification and experience declaration and documentation supporting this (qualifications, references etc).
	Confirmation of professional membership and any suspension of membership
	Confirmation that the individual has not been subject to sanctions from any professional body (public or private)

Appendix B: 'Fit and Proper' Declaration

I declare that I am a fit and proper person within the meaning of fit and proper standards issued by Bursa Malaysia Securities Berhad.

I specifically declare that:

- 1) I have the educational or technical qualifications, competence, diligence, judgement, character, honesty and integrity required to satisfactorily discharge the responsibilities of the position I hold or seek appointment to;
- 2) I have not been involved with or taken part in the management of a company that has:
 - 1) been put into liquidation, receivership, voluntary administration, or any insolvency procedure or has otherwise been wound up or dissolved on the basis that it could not pay its debts when due; or
 - 2) been declared to be subject to statutory management or judicial management; or
 - 3) been subject to an arrangement or process under the laws of an overseas jurisdiction that corresponds, or is similar, to any of those specified in subparagraph (1) or (2); or
 - 4) entered into any procedure or arrangement with its creditors on the basis that it is unable to pay its debts when due, for example a moratorium arrangement;
- 3) I have not been convicted whether within or outside Malaysia of any offence:
 - a) in connection with the promotion, formation or management of a corporation;
 - b) involving bribery, fraud or dishonesty; or
 - c) under section 213, 217, 218, 228 or 539, within a period of five years preceding the date of this declaration.
- 4) I have not been imprisoned for any offence referred to in paragraph 3 within the period of five years immediately preceding the date of this declaration.
- 5) I have not at any time been adjudged bankrupt or otherwise entered into a procedure provided for under the Insolvency (Amendment) Act 2020.
 - a) If you have been discharged from bankruptcy or any other procedure provided for under that Part please state the time that has elapsed since you have been discharged: _____
- 6) I am not the subject of current disciplinary action in respect of a profession or occupation (being disciplinary action taken by a regulatory or disciplinary body for persons engaging in that profession or occupation) and I have never been the subject of disciplinary action of that kind that has involved a finding of guilt, however expressed;
- 7) I have not at any time been prohibited from one or more of the following under an order made, or a notice given, under Malaysia law:
 - a) being a Director of an entity; or
 - b) being a promoter of an entity; or
 - c) being concerned with or taking part in the management of an entity;
- 8) I have no conflict or potential conflict of interest (direct or indirect) that affects, or may affect, my proper performance of the duties of this position;
- 9) I have not engaged in or been associated with any conduct that could pose a brand and reputation risk to the Chin Hin Group.
- 10) I have not been convicted of any offence.

If convicted of an offence at any time please specify:

 - i. Nature of the offence.....
 - ii. The circumstances in which the offence was committed.....
 - iii. The time elapsed since the offence was committed.....
 - iv. Your age when the offence was committed.....

I acknowledge that Chin Hin may conduct checks and obtain references to establish that I am a fit and proper person and I provide my consent to Chin Hin to perform any relevant checks including criminal history checks and professional and occupational checks in Malaysia and overseas if required, and that any false statement I make in this declaration may lead to dismissal or removal from the Board or the from the position I have been appointed to.

I further consent to the collection and use of any information by Chin Hin to comply with this PDPA in connection with this Policy

.....
Signature of Director,
or relevant Officer

Date:.....

Appendix C: Fitness and Propriety Considerations

The following constitute issues that should be considered when assessing the fitness and propriety of covered persons.

The person's qualification:

The career of the person being assessed and the relevance to the role at Chin Hin must be considered to make this judgment.

Chin Hin has job descriptions in place for relevant Officers, which detail the duties and requirements for each position.

Directors are expected to have appropriate competence for their role. This must include governance experience with a medium size commercial organisation or equivalent Board, or has held a Chief Executive position or a position reporting directly to a Chief Executive in a corporate environment.

Collectively, it is expected that the Board of Directors have access to a wide range of skills, knowledge, and experience to run Chin Hin and its operations, and avoid a concentration of particular skills and experience.

Any involvement the person has had with companies in financial or managerial trouble (including any overseas companies)

The role that the person played should be considered as well as the time passed since his or her involvement.

The involvement or management of persons or companies put in liquidation, receivership, voluntary administration or other insolvency procedures or has otherwise been wound up or dissolved on the basis that it could not pay its debts when due.

Any criminal or civil wrongdoing of the person

Consider the nature of the activity. Be especially aware of any fraudulent activities and activities that constitute serious wrongdoings whether committed or assisted or promoted another person to commit.

Has the person at any time been adjudged bankrupt or otherwise entered into a procedure provided for the Insolvency (Amendment) Act 2020.

Has the person been discharged from bankruptcy and the period since this discharge?

Any disciplinary or occupational disciplinary action taken against the person

Consider the conduct of the person and the penalty incurred.

Has the person been prohibited from being a Director, promoter or taking part in the management of an entity?

Consider the conducts and time elapsed.

Any conflicts of interest?

Consider the nature and any mitigations.

Any convictions

Consider the nature of convictions, time elapsed and penalties imposed.

Any conduct that poses an unacceptable brand and reputation risk to Chin Hin

Consider the nature of the conduct time lapsed and any circumstances around the conduct. Consider the potential impact on any association of the conduct on Chin Hin's brand and reputation.

Appendix D:

Certificate

Fit and Proper Certificate for a Directors and Relevant Officers

Chin Hin Group

Relevant Information

Full name:

Previous names (if any):

Residential address:

Date of birth:

Date of appointment;

Certification from all Directors that this person is fit and proper

In the opinion of the Directors of Chin Hin Group after due inquiry by us, the above named person is, in accordance with our fit and proper Policy, a fit and proper person to hold the position of [insert position name].

Certification from Director or relevant Officer as to accordance with fit and proper Policy

I, [name], certify that in my opinion I am, in accordance with Chin Hin Group's fit and proper Policy, a fit and proper person to hold the position of [insert position name].

Signed: [Director /relevant Officer]

Date:

Summary of information

Our opinion that the person satisfies Chin Hin Group's fit and proper Policy is based upon the following information:

[list the information]

Director(s)' signatures(s):

Signed:

Signed:

Date: