



ECONFRAME BERHAD

[Registration No. 201901042935 (1352265-T)]

DIRECTORS' FIT AND PROPER POLICY

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1.0 PURPOSE

- 1.1 The Fit and Proper Policy ("**Policy**") set out the fitness and propriety for the appointment and re-election of Directors of Econframe Berhad and its subsidiaries ("**the Group**").
- 1.2 The Policy is to ensure that each of the Directors possess the character, integrity, experience, competence and time to effectively discharge his/her role as a Director of the Group, in tandem with good corporate governance practices.
- 1.3 The Policy serves as a guide to the Nomination Committee ("**NC**") and the Board of Directors ("**the Board**") in their review and assessment of existing Directors who are seeking for election or re-election as well as candidates that are to be appointed onto the Board.

2.0 CRITERIA

- 2.1. The fit and proper criteria of a Director include but not limited to the following:

2.1.1 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 or a court
- (ii) Personal integrity
 - has not been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct
 - has not been dismissed, asked to resign or has resigned from employment (i.e., in the capacity of management or Director) due to concerns on personal honesty and 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 prudently
 - demonstrates ability to fulfil personal financial obligations as and when they fall due
 - has not been the subject of a judgement debt which is unsatisfied, either in whole or in part
- (iv) Reputation
 - is of good repute in the financial and business community

- has not been the subject of any proceedings of a disciplinary or criminal nature, or has not been notified of any impending proceedings or of any investigations, which might lead to such proceedings for the past ten (10) years
- has not held a position of responsibility in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management

2.1.2 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 on the business and workings of a corporation
- possesses general management skills as well as 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 organisation, and was accountable for driving or leading the organisation's governance, business performance or operations
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation

2.1.3 Time and commitment

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

- able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the Director across listed issuers and non-listed entities (including not-for-profit organisations)

(ii) Participation and contribution in 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

3.0 THE ASSESSMENT

- 3.1 The NC will evaluate each candidate(s) for a new appointment or re-election of Directors based on the criteria set under item 2.1 before recommending to the Board for approval.
- 3.2 The information gathered from the assessments shall be for the NC's strict use for the purpose of the assessment and not for public disclosure.

4.0 REVIEW OF THE POLICY

- 4.1 The NC is responsible for regular reviews of the Policy and shall recommend any change to the Policy as the NC deems appropriate to the Board for approval. 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.

5.0 EFFECTIVE DATE

- 5.1 This Policy has been approved by the Board for adoption with effect from 30 June 2022.

History

| Date | Description |
|--------------|---------------|
| 30 June 2022 | Establishment |