



FIT & PROPER POLICY

KAREX BERHAD (201201034091 (1018579-U))
(Incorporated in Malaysia)



OBJECTIVE

The objective of this policy is to guide the Nomination Committee (“NC”) and the Board of Directors (“Board”) in reviewing and assessing potential candidates for appointment and re-election as directors of Karex Berhad (“Company”) and its subsidiaries.

This policy is to be read and applied in conjunction with the Board Charter to ensure that all directors conduct themselves and carry out their responsibilities to a standard that complies with all legal and regulatory obligations.

CRITERIA

Any person to be appointed or re-elected as a director of the Company or its subsidiaries must have been assessed to have met all the fit and proper criteria based on, at minimum, the following:

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 of law.
- (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.
- (iii) Financial Integrity
 - manages personal debts or financial affairs satisfactorily.
 - demonstrates 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 10 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.

Experience and Competence

- (i) Qualifications, Training and Skills
 - possesses education qualifications that are relevant to the skill set that the director is earmarked to bring to bear onto the boardroom (i.e. a match to the strategic priorities of the Company).
 - has a considerable understanding on the 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.

Time and Commitment

- (i) Ability to Discharge Role having regard to other Commitments
 - able to devote time as a director, having factored other outside obligations including concurrent board positions held 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.

ASSESSMENT

The NC will evaluate each candidate for appointment as a director based on the criteria specified above prior to recommendation to the Board for approval.

The re-appointment of directors will be based on the results of the Board Evaluation Form to ensure that the directors continue to meet the fit and proper criteria. The NC will make a recommendation to the Board based on the results of the evaluation.

REVIEW

The NC shall periodically review this Policy and make the appropriate recommendations to the Board should there be any amendments required. The Policy shall be assessed, reviewed and updated where necessary to ensure that it is relevant to regulatory changes as well as the Company's business requirements.