



SKB Shutters Corporation Bhd.

[Registration No. 199701014865 (430362-U)]
(Incorporated in Malaysia)

DIRECTORS' FIT & PROPER POLICY

(Date: 30 May 2022)

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1. OVERVIEW

- 1.1 This policy sets out the approach for the appointment and re-election of Directors of SKB Shutters Corporation Bhd. ("the Company") and its subsidiaries ("the Group").
- 1.2 This policy serves as a guide to the Nominating Committee ("NC") and the Board of Directors ("the Board") of the Company in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election.

2. FIT AND PROPER CRITERIA

- 2.1 In assessing whether a candidate is fit and proper to hold directorship in the Group, the Board and NC should consider factors which includes but are not limited to the following:

a) 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 perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his/her 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.
- 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 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.

b) 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 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.

c) 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 judgement after hearing the views of others.

3. ASSESSMENT OF FITNESS AND PROPRIETY OF DIRECTORS

- 3.1 The NC will assess the candidates for new appointment as Directors and the Directors who are seeking for re-election based on the criteria set out in item 2.1 above before recommending to the Board for approval.
- 3.2 For appointment of new Directors, the candidates are required to complete the Candidate for Directorship Information Form. The candidates are also required to authorise the Company to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.
- 3.3 For re-appointment of Directors, the Directors will be assessed based on Section II (Assessment of Character, Experience, Integrity, Competence and Time Commitment) and Section III (Assessment of Mix of Skill and Experience) of Board and Board Committee Evaluation Form. The NC has the power not recommend to the Board the re-appointment of retiring Directors who do not meet the policy requirements.
- 3.4 The information gathered from the assessments shall be for the strict use of the Board and NC for the purpose of their review and assessment and not for public disclosure.

4. REVIEW OF THE POLICY

- 4.1 The NC shall review this policy periodically to ensure that it continues to remain relevant and appropriate. Any recommendation for revision to this policy shall be presented to the Board for approval.