

<b>SUPERLON HOLDINGS BERHAD FIT AND PROPER POLICY</b>
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## **1. Purpose**

The key objective of this policy (“Fit and Proper Policy”) is to set out the criteria for selection of candidates that are proposed to be appointed as directors of Superlon Holdings Berhad (“Company”) and its subsidiaries as well as directors who are seeking for re-election. The criteria are intended to guide the Nomination Committee (“NC”) and the Board of Directors (“Board”) in their review and assessment of such candidates in making their selection.

The NC shall assess the candidates as per Fit and Proper Policy and make the relevant recommendation to the Board on the proposal regarding appointment and re-election of directors.

## **2. Scope**

The Fit and Proper Policy applies to the appointment and re-election of directors of the Company and its subsidiaries.

## **3. Fit and Proper Criteria**

In accessing if a candidate met the criteria under this Policy, the Board and NC should consider factors which includes but are not limited to the following:

### 3.1 Character and integrity

#### (a) Integrity

- (i) complies with legal obligations, regulatory requirements and any applicable professional standards;
- (ii) has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect to the person’s honesty, integrity or business conduct.

#### (b) Ethics

- (i) has not participated in any business practices which are charged for or publicly known to be deceitful, oppressive, improper (whether unlawful or not) or which otherwise reflect discredit on his professional conduct;
- (ii) service contracts (i.e. in the capacity of management or director) have not been terminated in the past due to concerns on personal integrity;
- (iii) has no concurrent responsibilities or interest which would contribute to a conflict of interest situation or otherwise impair the ability to discharge duties and responsibilities as director of the Company and/or its subsidiaries;
- (iv) has not been subject to disciplinary action or found guilty of abusing other positions held in a manner that contravenes principles of good governance and professional ethics.

**SUPERLON HOLDINGS BERHAD  
FIT AND PROPER POLICY**

- (c) Financial soundness
  - (i) manages personal debts or financial affairs satisfactorily;
  - (ii) demonstrates ability to fulfil personal financial obligations as and when they fall due.
  
- (d) Reputation
  - (i) is of good repute in the financial and business community;
  - (ii) has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
  - (iii) have not been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately. Similarly, this shall apply to businesses in which the individual has a controlling interest or exercise significant influence.
  - (iv) has not been reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Suruhanjaya Syarikat Malaysia, Bank Negara Malaysia or any other equivalent regulatory authorities both local or abroad for the past 5 years;
  - (v) 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.

### 3.2 Experience and competence

- (a) Qualifications, training and skills
  - (i) possesses the appropriate education qualification, training and/or practical experience that is relevant to the skill set that the director is earmarked to bring onto the boardroom (i.e. a match to the board skill set matrix);
  - (ii) has a considerable understanding on the workings of a corporation;
  - (iii) possesses general management skills as well as understanding of corporate governance and sustainability issues;
  - (iv) keeps knowledge current based on continuous professional development;
  - (v) possesses leadership capabilities and a high level of emotional intelligence.
  
- (b) Relevant experience and expertise
  - (i) 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.
  
- (c) Relevant past performance or track record
  - (i) had careers of occupying a high-level position in a comparable organisation and were accountable for driving or leading the organisation's governance, business performance or operations;
  - (ii) possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

<b>SUPERLON HOLDINGS BERHAD FIT AND PROPER POLICY</b>
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### 3.3 Time and commitment

- (a) Ability to discharge role having regard to other commitments.
  - (i) able to devote time as Board members, having factored other outside obligations including concurrent Board positions held by the Directors across listed issuers and non-listed entities (including not-for-profit organisations).
- (b) Participation and contribution in the board or track record
  - (i) demonstrates willingness to participate actively in board activities;
  - (ii) demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
  - (iii) demonstrates interest in the vocation of a director;
  - (iv) exhibits ability to articulate views independently, objectively and constructively;
  - (v) exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

## **4. Assessment of Fitness and Propriety of Directors**

- 4.1. The NC will evaluate candidates for new appointment as Directors based on the fit and proper criteria as spelt out in Paragraph 3 above before recommending to the Board for approval. The factors shall be assessed individually, as well as collectively, taking into account their relative importance. Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The Board will consider the specific circumstances surrounding a director's failure to meet specific factors, such as the lapse of time since the occurrence of events, other contributing factors and the significance of the event from the perspective of potential risks posed to the Company.
- 4.2. For re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Form. The NC has the power not to recommend to the Board the re-appointment of retiring Directors who do not meet the policy requirements.
- 4.3. For new appointments, the candidates are required to complete the Candidate for Directorship profile. The candidates will also be required to complete a self-declaration of fit and proper form and 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.

## **5. Non disclosure of sensitive and confidential information**

Whilst the Company should disclose the customised considerations and expectations in this Policy, the Company will not disclose any sensitive and confidential information.

**SUPERLON HOLDINGS BERHAD  
FIT AND PROPER POLICY**

**6. Periodic review of the Fit and Proper Policy and reporting requirements**

The NC shall review this Fit and Proper Policy periodically or upon changes to the relevant rules and regulations, whichever is earlier and make the appropriate recommendation to the Board on any proposed amendments to the Fit and Proper Policy. Periodic review would also be made to ensure the relevance and alignment with the Company's needs and structure as well as any legal or regulatory changes and the best practices under the Malaysian Code of Corporate Governance.

Pursuant to Paragraph 15.08A(3) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, the Company shall disclose in its annual report, a statement about the activities of the NC in the discharge of its duties for the financial year which includes the application of the Fit and Proper Policy in the nomination and election of its directors, how the requirements set out in paragraph 2.20A of the MMLR are met and contain the following information:

- (i) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the listed issuer;
- (ii) the board nomination and election process of directors; and
- (iii) the assessment undertaken by the NC in respect of the performance of its board, committees and individual directors together with the criteria used for such assessment.

The changes to the terms of the Fit and Proper Policy shall be subject to the approval of the Board.

A copy of the Fit and Proper Policy is available on the Company's website

The directors' Fit and Proper Policy has been adopted by the Board on 30 June 2022.