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| Name of Policy | Directors' Fit and Proper Policy |
| Company | SKP Resources Berhad |
| Version | 1.0 |
| Effective Date | 27 May 2022 |

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PURPOSE

The Directors' Fit and Proper Policy provide guidance to employees in SKP Resources Berhad and its subsidiaries (hereafter referred to as the Company) in regards of clear and transparent process for the appointment and re-election of directors and senior management of the Company.

The Company complied with requirements herein contained in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") in formulating the Directors' Fit and Proper Policy.

OBJECTIVES

The objective of the Directors' Fit and Proper Policy is to guide the Company's Nomination Committee ("NC"), Remuneration Committee ("RC") and the Board of Directors ("the Board") in reviewing and assessing candidates to be appointed onto the Board in addition to the Director(s) who are seeking for re-election.

In the process of selecting and evaluating candidates for the Board, the NC has conducted the following assessment based on the fit and proper criteria as prescribed by the MMLR of Bursa Securities:

- a) Mix of skills;
- b) Character;
- c) Experience;
- d) Integrity;
- e) Competence; and
- f) Time commitment to discharge their duties

FIT AND PROPER CRITERIA

The considerations in regards of the fit and proper criteria of Directors include but not limited to the following:

a) Mix of Skills, Experience and Competence

Qualifications, training and skills

- Possesses education and 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);
- Have considerable understanding on the business and workings of a corporation;
- Possesses general management skills as well as understanding of corporate governance and sustainability issues; and
- Keeps knowledge current based on continuous professional development.

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.

Relevant past performance or track record

- Had careers of occupying a high-level position in a comparable organization and were accountable for driving or leading the organization's governance, business performance or operations; and
- Possess commendable past performance record as gathered from the results of the board effectiveness evaluation.

b) Character and Integrity

Probity

- Are compliant with legal obligations, regulatory requirements and professional standards; and
- Have not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

Personal Integrity

- Have 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; and
- Have 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.

Financial Soundness and Solvency

- Manage personal debts or financial affairs satisfactorily; and
- Demonstrate ability to fulfil personal financial obligations as and when they fall due.

Good reputation

- Are of good repute in the financial and business community; and
- Have 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.

c) Time Commitment to Discharge Their Duties

Ability to discharge role having regard to other commitments

- 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 organizations).

Participation and contribution in the Board or track record

- Demonstrate willingness to participate actively in Board activities;
- Demonstrate willingness to devote time and effort to understand the businesses and exemplify readiness to participate in events outside the boardroom;
- Manifest passion in the vocation of a director;
- Exhibit ability to articulate views independently, objectively and constructively; and
- Exhibit open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

NON-DISCLOSURE OF SENSITIVE AND CONFIDENTIAL INFORMATION

Whilst the Company should disclose the customized considerations and expectations in the Directors' Fit and Proper Policy, the Company refrained from disclosing any information that deemed sensitive and confidential in nature.

POLICY APPROVAL AND FREQUENCY OF REVIEW

The Directors' Fit and Proper Policy has been adopted by the Board on 27 May 2022.

The NC and RC are responsible for regular reviews of the Directors' Fit and Proper Policy and making any recommended changes as and when it deemed fit. The Directors' Fit and Proper Policy shall be aligned to any legal or regulatory changes and the best practices under the Malaysian Code on Corporate Governance.

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