



THMY Holdings Bhd.
Quality & Efficiency

Directors' Fit and Proper Policy

1.0 Introduction

The Board of Directors (the "Board") of THMY Holdings Berhad ("THMY" or the Company) is committed to building sustainable value for Shareholders by providing strategic leadership to the Group. In understanding the importance of driving objective and meritorious appointments at the leadership level, the Board has set out the Directors' Fit and Proper Policy (the "**Policy**" or "**Document**").

2.0 Purpose

The Policy delineates the Company's approach and guidelines:

- a) To the Nomination Committee ("**NC**"), the Policy provides guidance on the selection process, review, and assessment of the suitability and propriety of individuals currently holding positions or being considered for appointment, re-appointment, and/or re-election to the Board and/or respective Board Committee; and
- b) To reinforce the Board's independence, transparency, competency, and diversity.

The Policy extends the Company's corporate governance framework and acts as a guiding document to ensure that the Board has the requisite qualifications, competence, character, diligence, integrity, and judgment necessary to fulfill their roles effectively.

3.0 Roles and Responsibilities

The Board and the Nomination Committee ("**NC**") are responsible in for the application of this Policy and for conducting the fit and proper assessments.

3.1 Board of Directors

The Board is primarily responsible for ensuring that the fit and proper assessments set out in this Policy are carried out for all Board members. The Board ensures that all Directors are fit and proper and have the necessary character, experience, integrity, competence and time to effectively discharge his or her role.

3.2 Nomination Committee ("NC**")**

The NC is responsible for leading the review of the appropriate skills, experience and characteristics required of Board members through a set of procedures, in

the context of the needs of the Group. Prior to the appointment of the new Directors, the NC shall complete an evaluation based on the dimensions listed in **Section 4** of this Policy to assess the candidates' ability to discharge their duties effectively.

4.0 Fit and Proper Assessment

This section outlines the criteria for the fit and proper assessment. The Board, together with the NC, shall assess individual Directors with due regards to the considerations listed in this section.

The assessment of fit and proper criteria for Directors during the appointment stage shall be performed via diligence or screening (i.e. using established search databases) as well as declarations from the concerned individuals. Meanwhile, as for the re-election or re-appointment of Directors, the assessment shall be performed based on a review of the board effectiveness evaluation results and performance appraisal records respectively.

4.1 Fit and Proper Criteria

4.1.1 Character and integrity

In assessing the personal qualities such as honesty, integrity, diligence, independence of mind and fairness of Directors, with reference made to the Fit and Proper Policy of the Group, the NC should consider matters including, but not limited to the following:

(A) Probity

- (a) The individual is compliant with legal obligations, regulatory requirements and professional standards;
- (b) The individual has not been a subject of any adverse findings, including being obstructive, misleading or untruthful in dealings with auditors, regulatory authorities or a court; and
- (c) The individual is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a Director which would be disadvantageous to the Company Group or its interests.

(B) Personal Integrity

- (a) The individual 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;
- (b) The individual's service contract in the capacity of Director, had not been terminated in the past due to concerns on about personal integrity; and
- (c) The individual has not contravened any requirements imposed by authorities or bodies, whether in Malaysia or elsewhere or failed to uphold any professional or ethical standards issued, or has abetted another person to breach such requirements, professional or ethical standards.

(C) Financial Integrity

- (a) The individual has demonstrated prudent management of personal financial affairs including managing debts satisfactorily;
- (b) The individual has been and will be able to fulfil his financial obligations, whether in Malaysia or elsewhere, as and when they fall due;
- (c) The individual has not filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction; and
- (d) The individual, or any business in which he or she has a controlling interest or exercises significant influence, has not been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately.

Note: The fact that an individual may be of limited financial means does not in itself, affect the person's ability to satisfy the financial integrity criteria.

(D) Reputation

- (a) The individual is of good repute in the financial and business community;
- (b) The individual has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;
- (c) The individual has not contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;
- (d) The individual 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.

4.1.2 Experience and competence

In order to perform his role in an effective capacity, Board members should demonstrate the experience and competence requirements to understand the company nature of business, inherent risks and the management process. The Board together with the NC should consider matters including, but not limited to the following:

- (i) Qualifications, training and skills
 - (a) The individual possesses the appropriate education qualification, experience and expertise that is relevant to effectively fulfil the role and responsibilities of their respective positions;
 - (b) The individual has the appropriate level of physical and mental fitness;
 - (c) The individual keeps himself updated based on continuous professional development; and
 - (d) The individual possesses general management skills as well as an understanding of corporate governance and

sustainability issues.

- (ii) Relevant past performance or track record
 - (a) The individual 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; and
 - (b) The individual has demonstrated either satisfactory expertise in the nature of the business being conducted or satisfactory past performance.
- (iii) Time and commitment
 - (a) The individual is able to devote time as a Board member, having factored other outside obligations, including concurrent board positions held by the director across other listed issuers and non-listed entities (including not for profit and charitable organisations); and
 - (b) The directorships held by any Board member at any one time shall not exceed five (5) years in listed companies.
- (iv) Participation and contribution in to the Board
 - (a) The Director exhibits open mindedness to the views of others and the ability to make considered judgments after hearing the views of others;
 - (b) The Director demonstrates a willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
 - (c) The Director manifests passion in the vocation of a Director; and
 - (d) The Director exhibits the ability to articulate views independently, objectively and constructively.

4.1.3 An individual shall not be considered fit for directorship if he/she: -

- (i) has been convicted by a court of law, whether within Malaysia or

elsewhere, of an offence in connection with the promotion, formation or management of a corporation;

- (ii) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
- (iii) has been convicted by a court of law of an offence under the securities laws of Malaysia or the Act, within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

5.0 Fit and Proper Assessment and Procedures

- a) The NC will evaluate each candidate for the appointment as director based on the 'Fit and Proper Criteria' outlined in Section 4.1 of this Policy before making recommendations to the Board for approval.
- b) For the re-election of directors, the Board, in collaboration with the NC, will conduct an annual board effectiveness evaluation to assess the 'Fit and Proper Criteria' of individual directors, ensuring that directors continue to meet the criteria. The NC will recommend to the Board regarding the re-election of directors based on the evaluation results.
- c) For new appointments, the candidates are required to complete a self-declaration of fit and proper and authorize the Company to perform background check, if necessary, which may cover:
 - Previous employment verification,
 - Professional reference checks,
 - Education confirmation
 - Criminal record and credit checks.
- d) If an individual does not meet one consideration alone, it does not necessarily imply that they are not fit and proper, and the Board should take into account the specific circumstances that led to the individual not meeting specific criteria. Several factors should be considered when evaluating the potential risks to the Group, including:
 - The time elapsed since the events occurred,
 - Other contributing factors,
 - The extent of their influence,

- The significance of the events.
- e) The results of the assessments are considered internal documents of the Group and shall not be disclosed or provided to any other party.

6.0 Review and amendments

The NC should periodically review this Policy. All revisions or amendments to this Policy as recommended by the NC will be submitted to the Board for consideration and approval.

7.0 Approval

This Policy has been approved and adopted by the Board on 3rd April 2025.