



SARAWAK OIL PALMS BERHAD

(Registration No. 196801000358 (7949-M))

DIRECTORS' FIT AND PROPER POLICY



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1. INTRODUCTION

- 1.1 The Directors' Fit and Proper Policy ("Policy") has been adopted by Sarawak Oil Palms Berhad ("SOPB" or "Company") to ensure a formal, rigorous and transparent process for the appointment/election of candidates as director of Company ("Directors") and for the re-election of Directors.
- 1.2 This Policy also applies to the appointment/election and re-election of directors of the Company's unlisted subsidiaries (together with the Company, "the Group").
- 1.3 The objective of this Policy is to ensure that directors of the Group have the character, experience, integrity, competence and time commitment to effectively perform their roles and responsibilities as prescribed under Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").
- 1.4 This Policy serves as a guide to the Company's Nomination Committee and the Company's Board of Directors ("Board") in their review and assessment of potential candidates for appointment/election to the Board as well as directors who are seeking for re-election.

2. FIT AND PROPER CRITERIA

The Fit and Proper criteria of a Director shall include but not limited to the following criteria:

2.1 CHARACTER AND INTEGRITY

- (a) Probity
 - complies 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.
- (b) 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 (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. that he or she has held) in a manner that contravenes the principles of good governance and professional ethics.
- (c) Financial Integrity
 - manages personal debts or financial affairs satisfactorily.
 - demonstrates ability to fulfil personal obligations as and when they fall due.
 - has not been declared a bankrupt or any bankruptcy proceedings has been filed against him.



- (d) Good Reputation
- is of good repute in the financial and business community.
 - has not been subject to a civil and/or a criminal proceedings and/or enforcement action, in managing or governing an entity for the past ten (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.

2.2 EXPERIENCE AND COMPETENCE

- (a) Qualifications, Training and Skills
- possesses education qualification that is relevant to the skill set that the Director is earmarked to bring into the boardroom.
 - has a considerable understanding on the business and workings of the SOPB Group.
 - possesses general management skills as well as understanding of corporate governance and sustainability issues.
 - keeps knowledge current based on continuous professional development trainings.
 - possesses leadership capabilities and a high level of emotional intelligence.
- (b) Relevant Experience and Expertise
- possesses relevant experience and expertise with due consideration given to past length or service, nature and sizeable business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

2.3 TIME AND COMMITMENT

- (a) Ability to Discharge Role Having Regard to other Commitments
- able to devote his/her time as a Board member, having factored other outside obligations including concurrent Board positions held by the Director across public listed companies or non-listed companies (including non-profit organization).
- (b) 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 objectivity and constructively.
 - exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others.



- (c) Independence (Applicable to appointment and re-election of Independent Director)
- meets the Definitions and Interpretation of an Independent Director as defined in Chapter 1 of MMLR and/or in accordance with Practice Note 13 of the MMLR, from time to time.

3. ASSESSMENT AND EVALUATION

- 3.1 The Nomination Committee will assess and evaluate each person and/or Director standing for re-election/re-appointment as well as a candidate identified for a new appointment as Director of the Company and its subsidiaries based on the criteria set under Item 2 above, resumes provided and as well as the forms of declaration submitted before recommending to the Board for consideration and approval.
- 3.2 Candidates for directorship at the Board are to complete the Declaration of Fit and Proper Forms. Directors who are seeking re-election are also to complete and submit this Form. This Form may be updated from time to time as deemed appropriate by the Nomination Committee.
- 3.3 Independent check and assessment on the candidate shall be based on publicly available information and form part of the process in determining the suitability of the person has been identified for appointment as Director.
- 3.4 Failure to meet any one of the terms of this Policy does not necessarily mean failure to meet the fit and proper criteria. The Nomination Committee and the Board should consider the circumstances surrounding a candidate's failure to meet specific factors, including the lapse of time since the occurrence of events, other contributing factors and the potential risks posed to the SOPB Group.
- 3.5 The assessment process by the Nomination Committee will involve a good measure of judgement, which should be exercised objectively and in the best interest of SOPB Group.
- 3.6 The result of the assessment are part of the Company's internal documents and shall not be disclosed or provided to any third party.

4. REVIEW OF THE POLICY

This Policy is subject to regular review by the Nomination Committee and the Board, and it will be amended and updated where necessary in accordance with the needs of the SOPB Group, the MMLR and/or any other applicable laws enforced for the time being.

This Policy was adopted by the Board in 25 August 2022.