



[Registration No.: 202101026155 (1426455-A)]

Directors' Fit and Proper Policy

Version	Effective Date
0	18 May 2022

1. PURPOSE

- 1.1 The Directors' Fit and Proper Policy ("Policy") sets out the fit and proper criteria on the appointment and re-election of Directors of Wellspire Holdings Berhad and its subsidiaries ("Group").
- 1.2 This Policy will enhance the governance of the Company in relation to the Board's quality and integrity, as well as ensure that each of its Directors has the character, experience, integrity, competence, time and commitment to effectively discharge his or her role as a Director.
- 1.3 The Nominating and Remuneration Committee ("NRC") and the Board shall ensure that the fit and proper criteria on the appointment and re-election of Directors of the Group set out in Paragraph 3 are applied on a continuing basis.
- 1.4 The NRC and the Board shall conduct fit and proper assessment in their review and assessment of any candidate as a Director or making recommendation for the re-election of an existing Director based on the outcome of fit and proper assessment.

2. COMPLIANCE REQUIREMENTS

- 2.1 This Policy was adopted to ensure compliance with the relevant provisions of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").
- 2.2 Rule 15.01A of the AMLR provides that a listed issuer must :
 - (a) have a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries;
 - (b) ensure the policy addresses board quality and integrity and will aid the listed issuer to comply with Rule 2.20A of the AMLR; and
 - (c) make available the policy on its website.
- 2.3 Rule 15.08A(3) of the AMLR requires the listed corporation to disclose its application of the fit and proper policy in the nomination and election of directors, how the requirements set out in Rule 2.20A of AMLR are met in the NRC's statements in which will be included in the annual report.

3. THE FIT AND PROPER CRITERIA

- 3.1 Any person to be appointed or re-elected as a director of the Group must not be disqualified and has been assessed to have met all the fit and proper criteria based on, at minimum, the following:
 - (a) Character and integrity;
 - (b) Experience and competence; and
 - (c) Time and commitment.

3.1.1 **Character and Integrity**

(i) Probity

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

(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 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
- 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; and
- 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.

3.1.2 **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 and strategic priorities of the company);
- 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; and
- 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 a senior management or occupying a high-level position in a comparable organisation for at least 3 years, and was accountable for driving or leading the organisation's governance, business performance or operations; and
 - possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation or based on the financial and non-financial performance of the corporation where the person identified for appointment as a director was involved.

3.1.3 **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 in other listed issuers (taking into consideration his board attendance records) and non-listed entities (including not-for-profit organisations).
- (ii) Participation and contribution in the Board or track record (**applicable for re-election of exiting directors only**)
 - 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; and
 - exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. PERIODIC REVIEW OF THE FIT AND PROPER POLICY

- 4.1 The NRC shall review this Policy yearly or upon changes to the relevant regulatory requirements, whichever is earlier and make the appropriate recommendation to the Board on any proposed amendments to the Policy. Periodic review would also be made to ensure the relevance and alignment with the Group's needs and structure as well as material changes in the business and risk profile of Directors.

This Policy was adopted by the Board on 18 May 2022 and is made available on the Company's website at www.wellspireholdings.com.