

COUNTRY HEIGHTS HOLDINGS BERHAD

Registration No. 198401006901 (119416-K)
(Incorporated in Malaysia)

FIT AND PROPER POLICY

1.0 OBJECTIVE

Appointing the right person with the right skills, experience and credibility to the leadership team is imperative for the sustainable development of a company. To mitigate the risks from having individuals who are not fit and proper to act in the position of a Key Responsible Person (as defined below), this Policy is prepared to:

- (i) set out the fit and proper criteria for the appointment of Key Responsible Persons;
- (ii) ensure that each of the Key Responsible Persons has the character, integrity, experience, competence, time and commitment to effectively discharge their role; and
- (iii) serve as a guide to the Evaluation Authorised Persons (as defined under item 3.1(iii) below) and the Board of Directors of Country Heights Holdings Berhad (“CHHB” or “Company”) in their review and assessment of the Key Responsible Persons.

“Key Responsible Persons” means

- (i) prospective Director of CHHB and its subsidiaries (“CHHB Group” or “Group”) for appointment;
- (ii) retiring Director of CHHB Group seeking for re-election;
- (iii) Chief Financial Officer (“CFO”) of CHHB Group;
- (iv) Chief Executive Officer (“CEO”) or Managing Director (“MD”) of CHHB Group;
- (v) any person performing a senior management function who has primary or significant responsibility for the management and performance of significant business activities of CHHB Group; and
- (vi) any person who has primary or significant responsibility for key control functions.

The overarching criteria in relation to this Policy are:

- (a) Character and Integrity;
- (b) Experience and Competence; and
- (c) Time and Commitment.

2.0 FIT AND PROPER CRITERIA

The assessment on the fitness and propriety of the Key Responsible Persons of CHHB and/or its subsidiaries shall be benchmarked against the fit and proper criteria based on, as a minimum, the factors set out below:

(i) Character and Integrity

(a) 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.

(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 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 or its subsidiaries in a manner that contravenes the principles of good governance.

(c) Financial integrity

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

(d) 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.

(ii) Experience and Competence

(a) Qualifications, training and skills

- possesses education qualification that is relevant to the skillset that the director is earmarked to bring to bear onto the boardroom (i.e., a match to the board skillset matrix vis-à-vis the needs of the company or its subsidiaries);
- has a considerable understanding on the business and 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.

- (b) 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.
 - (c) Relevant past performance or track record
 - 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
 - possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.
- (iii) Time and Commitment
- (a) Ability to discharge the designated role, having regard to other commitments
 - able to devote time as a board member, considering other outside obligations including concurrent board or other positions held by the director across listed issuers and non-listed entities (including not-for-profit organisations).
 - (b) Participation and contribution in the board or track record
 - demonstrates willingness to participate actively in board activities;
 - demonstrates willingness to devote time and efforts 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.

3.0 ASSESSMENT OF FITNESS AND PROPRIETY

3.1 Responsibility

- (i) The Board of CHHB is primarily responsible for ensuring that all Key Responsible Persons fulfil the fit and proper requirements and to conduct assessment for fitness and propriety of all Key Responsible Persons.
- (ii) The Nominating and Remuneration Committee of CHHB ("NRC") is responsible for the fit and proper assessment of new candidates to be appointed as Key Responsible Persons and the assessment of existing Key Responsible Persons based on the fit and proper requirements/standards and make recommendations to the Board of CHHB and its subsidiaries, if applicable. The assessment of the fitness and propriety of Key Responsible Persons other than for the position of director, CFO and CEO/MD could be delegated by the NRC.

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- (iii) The assessment of the Key Responsible Persons of CHHB Group shall be conducted by the Evaluation Authorised Persons as below, before recommending to the Board of CHHB and its subsidiaries, if applicable, for approval:

Key Responsible Persons	Evaluation Authorised Persons
(a) prospective Directors of CHHB Group for appointment; (b) retiring Directors of CHHB Group seeking for re-election; (c) CFO of CHHB Group; (d) CEO or MD of CHHB Group.	NRC
(a) any person performing a senior management function who has primary or significant responsibility for the management and performance of significant business activities of CHHB Group; and (b) any person who has primary or significant responsibility for key control functions.	(a) Executive Chairman of CHHB; or (b) Managing Director of CHHB; or (c) NRC

- (iv) The NRC is also responsible for addressing the gaps in the assessment process and ensuring that information and documents obtained and collected for assessments are kept confidential.
- (v) The Evaluation Authorised Persons and the Board of CHHB and/or its subsidiaries may further consider and determine the prescriptions and specifications commensurate with the role that a Key Responsible Person hold, such as specification on skills, knowledge, minimum years of experience at a senior level for the appointment under CHHB and/or its subsidiaries and ensure their relevant alignment with the organisational needs and structure.

3.2 Attestation and Verification

- (i) For the purpose of assessment, the Key Responsible Persons shall complete the prescribed attestation form, or in such other forms as the NRC may from time to time prescribe. The Evaluation Authorised Persons shall consider the Fit and Proper criteria under item 2.0 above to the best of their knowledge and shall be entitled to rely on the attestation made by the Key Responsible Person in the prescribed form.

- (ii) The Evaluation Authorised Persons or the Boards of CHHB and/or its subsidiaries may engage independent third parties to conduct any searches or to further verify the information attested by the Key Responsible Persons and/or obtain further information the NRC or the Board of CHHB and/or its subsidiaries deems pertinent.

3.3 Annual Assessment

- (i) The fit and proper assessments on the Key Responsible Persons within the scope of this Policy shall be conducted on an annual basis or whenever CHHB becomes aware of information that may materially compromise a Key Responsible Person's fitness and propriety.
- (iii) Conflict of interest are required to be disclosed by the Key Responsible Persons on initial appointment and ongoing basis, or for directors, declaration of any interests could be made at each board meeting.

3.4 Failure to Meet Fit and Proper Criteria

Where an existing Key Responsible Person who is a director no longer satisfies the fit and proper criteria, the NRC may recommend his/her immediate removal as director to the Board of CHHB and/or its subsidiaries for approval. Pursuant to Section 198 (Persons disqualified from being a director) of the Companies Act 2016, a Key Responsible Person, who is a director must be removed from office immediately on becoming disqualified from managing corporations.

3.5 Document Retention and Reporting

The results of the assessments are part of the Group's internal documents and shall not be disclosed or provided to any other party. The results of the assessments are to be reviewed by the NRC and reported to the Board of CHHB and/or its subsidiaries.

4.0 REVIEW OF THE FIT AND PROPER POLICY

The NRC shall assess, review and update this Policy at least once every three (3) years and as required in accordance with the need of the Group and any new laws and requirements that may have an impact on the discharge of the responsibilities of the Board of CHHB. All revisions or amendments to this Policy as recommended by the NRC shall be submitted to the Board of CHHB for consideration and approval.