



DIRECTORS' FIT AND PROPER POLICY

1. PURPOSE

- 1.1 The Directors' Fit and Proper Policy ("the Policy") sets out the fit and proper criteria for the appointment and re-appointment of Directors on the Board of Talam Transform Berhad ("TTB") and its subsidiaries ("TTB Group").
- 1.2 To ensure that each of the Directors has the character, integrity, experience, expertise, skills, competence and time to effectively discharge his/her role as a Director of TTB and its subsidiaries.
- 1.3 Serves as a guide to the Nomination Committee ("NC") and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.

2. CRITERIA

- 2.1 The fit and proper criteria of a Director include but is not limited to the following:-

2.1.1 Character and Integrity

(i) Probity

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

(ii) Personal integrity

- has not perpetrated or participated in any business practices which are deceitful, oppressive, improper, unlawful, or which otherwise reflect discredit on his/her professional conduct.
- service contract (whether in the capacity of management or Director) had not been terminated in the past due to concerns of personal integrity.

(iii) Financial integrity

- manages personal debts or financial affairs satisfactorily.
- demonstrates ability to fulfil personal financial obligations.

(iv) Reputation

- is of good repute in the financial and business community.

- has not been the subject of criminal proceedings in managing or governing an entity for the past 5 years.
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned by fraud in that management.

2.1.2 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 to match the board skill set matrix).
- 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.
- possesses leadership capabilities and 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 occupying a high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations.
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

2.1.3 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 across listed issuers and non-listed entities (including not-for-profit organisations).

(ii) 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 interest and commitment in the vocation of a Director.
- exhibits ability to articulate views independently, objectively and constructively.
- exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

3. THE ASSESSMENT

- 3.1 The NC will assess each person for a new appointment or re-appointment of Directors based on the criteria set under item 2.1 before recommending to the Board for approval. The Board Evaluation Form is set out in Annexure 1 (The questionnaires are based on the Corporate Governance Guide 4th Edition).
- 3.2 For the appointment of new Director, the person is required to complete the Prospective Directors Information as set out in Annexure 2.
- 3.3 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

4. REVIEW OF THE POLICY

- 4.1 The NC shall recommend any change to the Policy as the NC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated where necessary or when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.