HOMERITZ

CORPORATION BERHAD

DIRECTORS' FIT AND PROPER POLICY

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1. POLICY OBJECTIVE

1.1 The Policy serves as guide to the Nominating Committee ("NC") and the Board in their review and assessment of candidates who are to be appointed onto the Board as well as Directors who are seeking for election or re-election.

1.2 This Policy is to ensure that Directors must possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

1.3 The fit and proper criteria will be applicable at the time of appointment as a Director and on a continuing basis as all Directors of **Homeritz Corporation Berhad** and/or its subsidiaries are expected to conduct themselves with highest integrity and professionalism as well as to comply with all relevant legal and regulatory obligations.

2. FIT AND PROPER CRITERIA

2.1 The considerations underpinning the "fit and proper "criteria of Directors include but not limited to the following:

2.1.1 <u>Character and Integrity</u>

(a) Probity

(i) complies with legal obligations, regulatory requirements and professional standards.
(ii) have not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
(iii) have not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect to the person's honesty, integrity or business conduct.

(b) Financial soundness and solvency

(i) manage personal debts or financial affairs satisfactorily.
(ii) demonstrate ability to fulfil personal financial obligations as and when they fall due.
(iii) have not been subjected to a judgment debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.

(c) Personal integrity, honesty and ethical behaviour

(i) have 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.
(ii) service contracts (i.e. in the capacity of management or Director) have not been terminated in the past due to concerns on personal integrity.
(iii) have no concurrent responsibilities or interest which would contribute to a conflict of interest situation or otherwise impair the ability to discharge duties and responsibilities as Director of the Company and/or its subsidiaries.
(iv) have not abused other positions (i.e. that he has held) in a manner that contravenes principles of good governance and professional ethics.

(d) Good reputation

(i) are of good repute in the financial and business community.
(ii) have not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.
(iii) have not been reprimanded by the Securities Commission Malaysia Bursa Malaysia Securities Berhad, Suruhanjaya Syarikat Malaysia, Bank Negara Malaysia or any other regulatory authorities both local and abroad.
(iv) have 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.

2.1.2 Experience and Competence

(a) Qualifications, training and skills

(i) possess 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).
(ii) have a considerable understanding on the business and workings of a corporation.
(iii) have adequate and broad knowledge including the United Nations Sustainable Development Goals on sustainability as well as Environment, Social & Governance (ESG) issues.
(iv) possess general management skills as well as understanding of good corporate governance best practices.
(v) Financial literacy especially able to read and understand financial statements.
(vi) Keep knowledge current based on continuous professional development.

(b) Relevant experience and expertise

(i) possess relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held and commitment to effectively fulfil the roles and responsibilities.

(c) Relevant past performance or track record

(i) Had careers of occupying a high-level position in a comparable organization and were accountable for driving or leading the organization's governance, business performance or operations.
(ii) Possess commendable past performance record as gathered from the results of the board effectiveness evaluation.

2.1.3 Time and commitment

(a) Ability to discharge role having regard to other commitments

(i) able to devote time as Board members, having factored other outside obligations including concurrent Board positions held by the Directors across listed issuers and non-listed entities (including not-for-profit organizations).

(b) Participation and contribution in the Board or track record

(i) demonstrate willingness to participate actively in Board activities.
(ii) demonstrate willingness to devote time and effort to understand the businesses and exemplify readiness to participate in events outside the boardroom.
(iii) Manifest passion in the vocation of a director.
(iv) Exhibit ability to articulate views independently, objectively and constructively.
(v) Exhibit open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

(c) Number of Directorships in public listed companies (PLC)

(i) Not hold more than five (5) directorships in PLC at the same time.

3. EVALUATION OF A CANDIDATE FOR DIRECTORSHIP OR RE-APPOINTMENT OF DIRECTOR

3.1 The NC will evaluate candidates for new appointment as Directors based on the fit and proper criteria as spelt out in 2.1 above before recommending to the Board for approval.

3.2 For re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Form. The NC has the power not to recommend to the Board the re-appointment of retiring Directors who do not meet the policy requirements.

3.3. For new appointments, the candidates are required to complete the Candidate for Directorship profile. The candidates will also be required to complete a self-declaration of fit and proper form and authorise the Company to perform background check, if necessary, within permissible written laws to verify the information against independent sources which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.

3.4 The information gathered from the assessments shall be for the NC's strict use for the purpose of the assessment and not for public disclosure.

4. POLICY SUBJECT TO PERIODICAL REVIEW

4.1 The NC is responsible for regular reviews of the Policy and making any recommended changes as and when it deemed fit. The Policy shall be aligned to any legal or regulatory changes and the best practices under the Malaysian Code on Corporate Governance.

4.2 The changes to the terms of the Policy shall be subject to the approval of the Board.

The Directors' Fit and Proper Policy has been adopted by the Board on 30 Jun 2022.