



**MILUX CORPORATION BERHAD**  
**[Registration No. 199401027937 (313619-W)]**

**Directors' Fit and Proper Policy**

**1. PURPOSE**

This Policy seeks to set out the fit and proper criteria for the appointment and re-election of Directors to the Board of Milux Corporation Berhad ("Milux") and its subsidiaries ("Milux Group") to ensure that the Board's quality and integrity is maintained and up to expectation.

The Board of Directors believes that it is in the best interest of the Milux Group and its stakeholders that Directors appointed to the Board are persons with the required character, integrity, experience, competence and time to effectively discharge their responsibilities and duties and to contribute towards the proper governance of the Group.

**2. DUTIES AND RESPONSIBILITIES**

The Board delegate the duty to the Nomination and Remuneration Committee ("NRC") to perform fit and proper assessment on existing Directors of the Milux Group seeking for re-election or candidates for nomination or appointment as a Director of the Milux Group.

Notwithstanding this, the Board are ultimately responsible for ensuring that all existing Directors seeking for re-election or candidates for nomination or appointment as a Director fulfil fit and proper requirements and for conducting assessments of the fitness and propriety of Directors of the Group.

The fit and proper assessment on a Director may also be conducted whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.

The NRC in the discharge of its duty as delegated by the Board is to carry out the assessment based on the fit and proper criteria as set out herein and making recommendations to the Board for its review and decision.

The Board is to include the results of the assessment and to provide a statement as to whether it supports the appointment of the candidate as a Director of Milux Group or re-election of an existing Director and the reasons thereof.

**3. FIT AND PROPER CRITERIA**

**3.1 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 or a court of law in the past 5 years.

- (ii) Personal integrity
  - has not perpetrated or participated in any business practices which are deceitful, corrupt, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;
  - his/her service contract (i.e. in the capacity of management or director) has not been terminated in the past due to concerns on his/her personal integrity;
  - 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;
  - has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned or attributed in part to deficiencies in that person's integrity and management capabilities.

### 3.2 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);
  - 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;
  - 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 occupying a senior position in an 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.

### 3.3 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 non-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 or organisation;
  - manifests passion 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 judgement after hearing the views of others.

#### **4 REVIEW AND APPROVAL OF THIS POLICY**

This Policy will be reviewed by the Board as and when required in compliance with applicable laws and regulations and to ensure they remain consistent with the Board's objective, and in any event, at least once every three (3) years.

This Policy was reviewed and approved by the Board of Directors on 28 November 2023.