

Fit and Proper Policy

OSKH-CS-OTH-002-5

26 August 2022

OSK

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Revision History Log

Ver. No	Section	Section Name	Page	Details of Amendments	Effective Date	e-Circular No.
1	All	All	All	Document published	Feb-2013	NIL
2	A.2	Minimum Requirement for the Board / Key Senior Management	5	<ul style="list-style-type: none"> Removed age limit criteria requirement Added offence committed criteria for personal background requirement 	28 Feb 2018	OSKH/CS/CIR/003
3	-	Glossary	3	Updated term and description in Glossary	18 Nov 2020	OSKH/CS/CIR/004
	A.2.1	Minimum Requirement for the Directors / Key Senior Management – Work Experience	5	Generalised the types of industry in the work experience criteria		
4	All	All	All	<ul style="list-style-type: none"> Renaming of policy from Fit and Proper Standards for Directors and Key Senior Management to Fit and Proper Policy Total revamp of content to be aligned with Bursa Malaysia Corporate Governance Guide (4th Edition) 	26 May 2022	OSKH/CS/CIR/005
5	A2.2	Assessment	6	Inclusion of assessment of subsidiaries' directors be delegated to and conducted by subsidiaries' board of directors	26 Aug 2022	OSKH/CS/CIR/006

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Glossary

Term	Description
“Board”	The Board of Directors of the Company
“Bursa Malaysia”	Bursa Malaysia Securities Berhad
“Company” or “OSK”	OSK Holdings Berhad
“Director”	A member of the board of directors, which include both executive and non-executive directors
“Listing Requirements”	Main Market Listing Requirements of Bursa Malaysia, including any Practice Notes issued in relation thereto
“NRC”	Nomination and Remuneration Committee of the Company
“OSK Group” or “Group”	OSK Holdings Berhad and its subsidiaries, collectively
“Policy”	Refer to this Fit and Proper Policy

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A. POLICIES

A1. Overview

- 1. Introduction**
 - This Policy sets out the fit and proper criteria for the appointment and re-election of Directors within the Group.
- 2. Objectives**
 - To guide the NRC and Board in their review and assessment of candidates who are to be appointed as Directors and Directors who are seeking for re-election.
 - To ensure that the Directors are people of high calibre and integrity as they are entrusted by the shareholders and other stakeholders to manage and perform effectively.
- 3. Criteria**
 - The fit and proper criteria include but are not limited to the following:
 - Character and Integrity.
 - Experience and Competence.
 - Time and Commitment.
- 4. Reference**
 - This Policy makes reference to the following and shall be read together with:
 - Bursa Malaysia Listing Requirements
 - Malaysian Code on Corporate Governance
 - Bursa Malaysia Corporate Governance Guide.
- 5. Reviews and Notices**
 - The NRC shall assess, review and update this Policy where necessary or as and when there are material changes to the governing rules or regulations.
 - The NRC shall recommend the changes to the Board for approval.
 - In the event the regulatory requirements are amended, modified or varied, such amendments, modification or variations shall be deemed inserted herein whereupon this Policy shall be read and construed accordingly and the Directors be informed immediately.
 - This Policy is circulated to the Directors via the Company Secretarial Department. An electronic version of this Policy is also available on the Company's website.

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A. POLICIES

A2. Fit and Proper Criteria

- 1. Introduction**
 - The general criteria in relation to a fit and proper requirement for Directors within the Group are outlined below.

- 2. Assessment**
 - The fit and proper assessments shall be conducted:
 - for initial appointment of Directors;
 - for the re-election of Directors on an annual basis; or
 - whenever the Company becomes aware of information that may materially compromise a Director's fitness and properness.

 - The fit and proper assessments for Directors of OSK shall be conducted by the NRC before recommending to the Board for approval.

 - The fit and proper assessments for Directors of subsidiaries shall be delegated to and conducted by the respective subsidiaries' board of directors.

 - The results of the assessments are part of the Group's confidential internal documents and shall not be disclosed or provided to any other party.

- 3. Character and Integrity**
 - 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 or within the Group.

 - Personal Integrity
 - has not perpetrated or participated in any business practices which are unlawful or unprofessional.
 - service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity.

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

 - Reputation
 - is of good repute and respected in the community.

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- 4. Experience and Competence**
- **Qualifications, Training and Skills**
 - possesses education qualification that is relevant to the skill set that the person is earmarked to bring to bear onto the boardroom.
 - possesses general management skills as well as understanding of corporate governance and sustainability issues.
 - keeps knowledge current based on continuous professional development.
 - **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.
 - **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/or
 - possesses skills and knowledge which are relevant to the Group.
- 5. Time and Commitment**
- **Ability to Discharge the 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).
 - **Participation and Contribution in the Board or Track Record**
 - demonstrates willingness to participate actively in board or the Group's activities.
 - demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom or the Group.
 - 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 judgment after hearing the views of others.

End