



POWERWELL HOLDINGS BERHAD
Registration No. 200101009151 (544907-X)
(Incorporated in Malaysia)

DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

The Board of Directors ("Board") of Powerwell Holdings Berhad ("PHB" or "the Company") has formalised and adopted this Directors' Fit and Proper Policy ("the Policy") which sets out the approach for the appointment and re-appointment / re-election of Directors on the Board of PHB and its subsidiaries ("the Group").

2. OBJECTIVE

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

3. FIT AND PROPER CRITERIA

For the purpose of establishing whether a person is fit and proper to hold directorship on the Board of the Group, the Company shall have regard to the person's:

- i. Character and integrity
Person should possess personal qualities such as probity, personal integrity, financial integrity and reputation.
- ii. Experience and competence
Person should have the necessary qualifications, training and skills, possesses relevant experience and expertise and relevant past performance or track record.
- iii. Time and commitment
Person should have the ability and commitment to carry out the role.

4. ASSESSMENT CRITERIA

4.1 Character and integrity

In assessing a person's level of probity, integrity and reputation, the NC and the Board shall consider criteria which include, but not limited to the following:

- 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.
- 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.

- service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity.
 - has not abused other positions held (e.g. political appointment or public office etc.) 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.

4.2 Experience and competence

In assessing a person's competence and capability, the NC and the Board shall consider criteria which include, but are not limited to the following:

- i. Qualifications, training and skills
- possesses education qualification and/or working experience that is relevant to the skill set that the person is earmarked to bring to bear onto the Group (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 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 or based on the past financial and non-financial performance of the corporation which the candidate/Director was involved in.

4.3 Time and commitment

In assessing the time and commitment of a candidate/Director, the NC and the Board shall consider criteria which include, but are not limited to the following:

- 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 passion in the vocation of a director or senior management.
 - 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.

5. REVIEW OF THE POLICY

The NC shall recommend any changes 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 e.g. to maintain the compliance with applicable laws and regulations or accommodate organisation changes within the Group.

Date: 27 May 2022