CONFIDENTIAL

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

DIRECTOR'S FIT AND PROPER POLICY

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1. INTRODUCTION

The objective of the Fit and Proper Policy ("Policy") is to set out the criteria for the appointment, re-appointment and/ or re-election of Directors of Sarawak Consolidated Industries Berhad ("SCIB") and its subsidiaries.

This policy will provide guidelines and procedures to ensure each of the Directors has the character, experience, intergrity, competence and time to effectively discharge his/ her role as a Director of SCIB and its subsidiaries.

This policy also serve as a guide to the Remuneration and Nomination Committee ("RNC") 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. ROLES AND RESPONSIBILITIES

2.1 The Board and RNC shall be responsible for conducting assessments on the fitness and propriety of directors and members of the Committee(s) and making decisions on their appointments.

2.2 For senior officers, the Board and the RNC may delegate the responsibility for fit and proper assessments and decision on appointments to the CEO or a designated committee.

2.3 Where the Board and RNC delegates to the CEO or a designated committee as specified in paragraph 2.2 above, the Board shall remain accountable for such assessments and decisions.

3. CRITERIA

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

3.1.1 Charater and integrity

a. Probity

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

b. Personal intergrity

- Has 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;
- Service contract (ie. In the capacity of management or Director) had

not been terminated in the past due to concerns on personal integrity; and

- Has not abused other positions (ie. Political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance.

c. Financial intergrity

- Manages personal debts or financial affairs satisfactory; and
- Demonstrates ability to fulfil personal financial obligations as and when they fall due.

d. 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; and
- Has 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.

3.1.2 Experience and competence

a. 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 (ie. a match to 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; and
- Possesses leadership capabilities and a high level of emotional intelligence.

b. Relevant experience and expertise

- Posseses 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.

c. Relevant past performance or track record

- Had a career of occupying a high-level position in a comparable organization, and was accountable for driving or leading the organisation's governance, business performance or operations; and
- Possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

3.1.3 Time and commitment

a. 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).

b. 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;
- Exhibits ability to articulate views independently, objectively and constructively; and
- Exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. ASSESSMENT

- The RNC will assess each person for a new appointment or re-appointment of Directors based on the criteria set under item 3 of this policy before recommending to the Board for approval.
- The assessment should take into consideration the current composition of the Board and the Board committees (where applicable), mix of skills and experiences of Directors whilst taking into account the current and future needs of the Group, the boardroom diversity (including gender diversity) and other soft attributes required as Directors.
- For re-appointment of Directors, the Directors will be evaluated based on the Board

Evaluation Form. The Remuneration and Nomination Committee ("RNC") has the power not to recommend to the Board the re-appointment of retiring Directors who do not meet the policy requirements.

- For new appointments, the candidates are required to complete the Master Update Form. The candidates will also be required to complete all the relevant self declaration forms such as the Declaration Form on Associate(s) and Person(s) Connected with Substantial Shareholder/ Director, Declaration on Related Party Transaction & Recurrent Related Party Transaction and Declaration forms in compliance with the Main Market Listing Requirments of the Bursa Malaysia Securities Berhad, Capital Markets and Services Act 2007, Companies Act 2016 and other relevant laws and regulations.
- The candidates are required to authorize the Company to perform background check, if necessary which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record, personal credit checks and other relevant due diligence checks.
- The information gathered from the assessments shall be for the RNC's strict use for the purpose of the assessment and not for public disclosure.

5. REVIEW OF THE POLICY

The RNC will review this Policy periodically to ensure that it continues to remain relevant. The changes to the terms of this Policy shall be subject to the approval of the Board.