

Directors' Fit and Proper Policy

Overview

The Directors' Fit and Proper Policy ('Policy') sets out the approach for the appointment and re-election of Directors of Teo Guan Lee Corporation Berhad ('TGL' or 'Company') and its subsidiaries.

Purpose

The Policy serves to guide the Nomination Committee and the TGL Board in their review and assessment of candidates that are to be appointed onto the Board of TGL and its subsidiaries as well as Directors who are seeking for re-election.

Fit and Proper Criteria

For the purpose of establishing whether a person is fit and proper to hold Directorship in TGL and its subsidiaries, the Company shall have regard to the person's:

- a) Character and integrity
- b) Experience and competence
- c) Time and commitment

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

(ii) Personal integrity

- has not penetrated 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 (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 (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
- is not a bankrupt and not being sued for bankruptcy

(iv) Reputation

- is of good repute in the financial and business community
- has not been the subject of civil and 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 in part by deficiencies in that management.

Experience and competence

(i) Qualifications, training and skills

- has the appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position
- 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

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 companies and non-listed companies (including not-for-profit organizations)

(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
 - 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
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