

## **NOVA MSC BERHAD**

Registration 200201024235 (591898-H)  
(Incorporated in Malaysia)

### **DIRECTORS' FIT AND PROPER POLICY**

#### **1 Introduction**

Nova MSC Berhad ("Company") and its subsidiaries (collectively known as "Group") has adopted the Directors' Fit and Proper Policy to ensure a formal, rigorous and transparent process for the appointment and re-election of directors and senior management within the Group.

This Policy is to guide the Company's Nomination & Remuneration Committee ("NRC") and Board of Directors ("Board") in their review and assessment of potential candidates who are to be appointed onto the Board as well as existing Directors who are seeking for re-election in the Group. With this Policy, the Company aims to ensure that the Group is led by persons of integrity, credibility and competency.

In formulating this policy, the Company is obliged to comply with the requirements contained in the ACE Market Listing Requirements ("LR") of Bursa Malaysia Securities Berhad ("Bursa") and other applicable rules and regulations at the prevailing country to ensure compliance with obligation imposed.

#### **2. Criteria**

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

##### **2.1 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

###### **(ii) Personal integrity**

- 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 (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 fulfill 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 in part by deficiencies in that management

## 2.2 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 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
  - 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

### 2.3 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 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
- 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

## 3. REVIEW OF THE POLICY

The NRC reserves the right to review this Policy periodically and recommend any changes to the Board for approval as the NRC deems appropriate.