

SHH RESOURCES HOLDINGS BERHAD

(Company No: 304227-U)

DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

- 1.1. This Directors' Fit and Proper Policy ("Policy") has been adopted by SHH Resources Holding Berhad ("the Company") to ensure a formal and transparent process for the appointment/ election of candidates as directors of the Company ("Directors") and for the re-election of Directors.
- 1.2. The objective of this Policy is to ensure that Directors of the Company have the character, experience, integrity, competence and time commitment to effectively perform their roles and responsibilities as prescribed under Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 1.3. This Policy serves as a guide to the Company's Nominating Committee ("NC") and the Company's Board of Directors ("Board") in their review and assessment of potential candidates for appointment/election to the Board as well as directors who are seeking for re-election.

2. FIT AND PROPER CRITERIA

- 2.1. Prior to any initial appointment of new Director, a fit and proper assessment of the person will be conducted and he/she must first not be disqualified from being a director pursuant to the prevailing laws and regulations in Malaysia.
- 2.2. In assessing if a person meets the criteria under this Policy, the NC and the Board should consider factors which include but are not limited to the following:-

A. Character and Integrity

- (a) complies with legal obligations, regulatory requirements and professional standards has not been obstructive, misleading or untruthful in dealings with regulatory bodies or the judiciary;
- (b) 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/her professional conduct;
- (c) service contract (i.e. in the capacity of management or director) has not been terminated in the past due to concerns on personal integrity has not abused other positions (i.e. that he or she has held) in a manner that contravenes principles of good governance and professional ethics;
- (d) manages personal debts or financial affairs satisfactorily demonstrates ability to fulfil personal financial obligations as and when they fall due;
- (e) is of good repute in the financial and business community; and

- (f) has not been convicted by a court of law in civil or criminal proceedings or subject to enforcement action, in managing or governing an entity for the past 10 years.

B. Qualification, Experience and Competence

- (a) possesses education qualification that is relevant to the skill set that the person is earmarked to bring to bear onto the boardroom;
- (b) possesses general management skills as well as understanding of corporate governance and sustainability issues;
- (c) keeps knowledge current based on continuous professional development;
- (d) possesses leadership capabilities and a high level of emotional intelligence;
- (e) 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; and
- (f) possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

C. Time and Commitment

- (a) able to devote time as a Board member, having factored other outside obligations including concurrent board positions held by the person across listed issuers and non-listed entities (including not-for-profit organisations);
- (b) Participation and contribution in the Board or track record:-
 - i) demonstrates willingness to participate actively in Board activities; and
 - ii) demonstrates willingness to devote time and effort to understand;
- (c) the businesses and exemplifies readiness to participate in events outside the boardroom:-
 - i) manifests passion in the vocation of a Director;
 - ii) exhibits ability to articulate views independently, objectively and constructively; and
 - iii) exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

3. EVALUATION OF CANDIDATES FOR DIRECTORSHIP OR RE-ELECTION OF DIRECTOR

- 3.1. The NC will evaluate candidates for new appointment as Directors based on the fit and proper criteria set out in Section 2 above, the resumes provided as well as the forms of declaration submitted before recommending to the Board for approval.
- 3.2. For re-election of Directors, the Directors will be evaluated by the NC based on the annual board assessments as well as the fit and proper criteria set out in Section 2 above before recommending to the Board for approval.
- 3.3. For new appointments, the candidates are required to complete the self-declaration of fit and proper forms and authorise the Company to perform the relevant background checks, if necessary.

4. POLICY SUBJECT TO REVIEW

- 4.1. The NC is responsible to review this Policy periodically and make appropriate changes that take into consideration the needs of the Company as well as any legal or regulatory changes.
- 4.2. Any changes to the terms of this Policy shall be subject to the approval of the Board.