



TEXCHEM RESOURCES BHD.
[Reg. No.: 197301002868 (16318-K)]

DIRECTORS' FIT AND PROPER POLICY

1 OBJECTIVES

- 1.1 This Directors' Fit and Proper Policy ("Policy") serves as a guide to the Nomination Committee and the Board of Directors ("the Board") of Texchem Resources Bhd ("TRB") in their review and assessment of candidates for appointment onto the Board as well as directors who are seeking for re-election.
- 1.2 This Policy sets out the fit and proper criteria for the appointment or re-election of directors ("Directors") for the Board of TRB and/or its subsidiaries ("TRB Group").

2 FIT AND PROPER CRITERIA

In assessing a person's fitness and propriety, the fit and proper criteria to be used shall include without limitation to the following:

2.1 Character and Integrity

- (i) Probity
 - (a) He/she is compliant with legal obligations, regulatory requirements and professional standards; and
 - (b) He/she has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court in the past 5 years.
- (ii) Personal integrity
 - (a) He/she 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;
 - (b) His/her service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity; and
 - (c) He/she has not abused other positions that he/she has held in a manner that contravenes the principles of good governance.

(iii) Financial integrity

- (a) He/she manages personal debts or financial affairs satisfactorily; and
- (b) He/she demonstrates ability to fulfil personal financial obligations as and when they fall due.

(iv) Good reputation

- (a) He/she is of good repute in the financial and business community;
- (b) He/she has not been the subject of criminal proceedings or enforcement action in managing or governing an entity for the past 10 years; and
- (c) He/she 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

- (a) He/she 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);
- (b) He/she has a considerable understanding on the business and workings of a corporation;
- (c) He/she possesses general management skills as well as understanding of corporate governance and sustainability issues;
- (d) He/she keeps knowledge current based on continuous professional development; and
- (e) He/she possesses leadership capabilities and a high level of emotional intelligence.

(ii) Relevant experience and expertise

- (a) He/she 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

- (a) He/she had a career of occupying a high-level position in a relevant organisation and was accountable for driving or leading the organisation's governance, business performance or operations; and
- (b) He/she possesses commendable past performance record as gathered from the results of the evaluation on Board effectiveness.

2.3 Time and Commitment

- (i) Ability to discharge role having regard to other commitments
 - (a) He/she 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
 - (a) He/she demonstrates willingness to participate actively in Board activities;
 - (b) He/she demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
 - (c) He/she manifests passion in the vocation of a director;
 - (d) He/she exhibits ability to articulate views independently, objectively and constructively; and
 - (e) He/she exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

3 REVIEW OF THIS POLICY

The Nomination Committee shall review the adequacy of this Policy as and when necessary and may from time to time recommend to the Board for approval on any change which the Nomination Committee may deem appropriate for compliance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements and/or any other regulatory requirements.

This Policy was reviewed and adopted by the Board on 28 June 2022.