

OLYMPIA INDUSTRIES BERHAD

Company Registration No. 198001009242 (63026-U)

FIT AND PROPER POLICY FOR APPOINTMENT AND RE-APPOINTMENT/RE-ELECTION OF DIRECTORS

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PART A - OVERVIEW

1. INTRODUCTION

Pursuant to Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), the Company must ensure each of its Director, chief executive officer or chief financial officer has the character, experience, integrity, competence and time commitment to effectively discharge his or her respective role in the Company.

2. PURPOSE/OBJECTIVE

This Policy is aimed to:

- aid compliance with Paragraph 2.20A of the Listing Requirements;
- formulate the criteria for the fit and proper assessment;
- formalise the process for the fit and proper assessment of the existing Board members for re-appointment/re-election and candidates before appointment; and
- facilitate filling Board’s skills gap and enhance Board diversity and inclusion

3. REGULATORY PROVISION

This Policy is formulated pursuant to Paragraph 15.01A of the Listing Requirements.

4. APPLICATION

- This Policy shall be applicable to the Company while the respective subsidiary boards may at its discretion, in principle, refer to this Policy as a guide.

5. REVIEW

The Nomination Committee (“NC”) and the Board shall review this Policy as and when necessary to reflect its adequacy as to organisational needs and current circumstances.

PART B – FIT AND PROPER ASSESSMENT

6. RESPONSIBILITIES OF THE BOARD

The Board and the NC shall be responsible for conducting assessments on the fitness and propriety of Board members/candidates and making decisions on appointment/re-appointment/re-election of Directors of the Company.

7. FIT AND PROPER CRITERIA

- In assessing a Board candidate for new appointment, the Board and the NC shall consider the criteria as per Annexure I which are by no means exhaustive.
- Existing Board members seeking re-appointment/ re-election to the Board will be assessed on the basis of the criteria as per Annexure I or the evaluation form as per Annexure II criteria of which are adopted on basis of the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad.

8. FIT AND PROPER ASSESSMENT

- A fit and proper assessment shall be conducted prior to initial appointment or whenever the person becomes aware of information that may materially compromise a person's fitness and propriety.
- Any appointment/re-appointment/re-election of Director shall be contingent on satisfactory evaluation of his/her performance and/or contribution to the Board.
- All documentation on fit and proper assessments and supporting information will be kept strictly confidential.

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8.1 New Appointment

In conducting the assessment, the following process will apply:

- (i) The Board sets out its expectation and requirements with which a candidate shall possess.
- (ii) Nomination of candidate may be made by existing Director or major shareholder of the Company as well as varied sources of referral and external sources.
- (iii) The NC will:
 - (a) evaluate candidates based on Annexure I;
 - (b) conduct assessment of independence of candidate pursuant to the Listing Requirements;
 - (c) meet up with potential candidates if deemed necessary; and
 - (d) shortlist and recommend any suitable candidates to the Board for consideration or approval.
- (iv) Based on the recommendation of the NC, the Board shall consider and approve the proposed appointment contingent on satisfactory evaluation of the candidate identified.

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8.2 Re-appointment/Re-election

In conducting the assessment, the following process will apply:

- (i) The Board sets out its expectation and requirements for all Board members pursuant to Paragraph 2.20A of the Listing Requirements.
- (ii) The NC will:
 - (a) evaluate the Director based on Annexures I and II;
 - (b) conduct assessment of independence of Director pursuant to the Listing Requirements; and
 - (c) propose any re-appointment/re-election to the Board for consideration or approval.
- (iii) Based on the recommendation of the NC, the Board shall consider and endorse the proposed re-appointment/re-election contingent on satisfactory evaluation of the Director, for shareholders' approval as the case may be.

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FIT AND PROPER CRITERIA**(FOR NEW APPOINTMENT/RE-APPOINTMENT/RE-ELECTION)****1. Competence and Capability**

Competency and capability may be demonstrated by a person who possesses the relevant knowledge, experience and ability to understand the technical requirements of the business, the inherent risks and the management process required to perform his/her role in a key function in the relevant capacity effectively.

In assessing a Board member/candidate, where appropriate, the Board and the NC may consider whether the person:

- has the appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the role/position having regard to their other commitments;
- has satisfactory past performance or expertise in the nature of the business being conducted;
- has sufficient understanding and knowledge of sustainability or ESG (Environment, Social & Governance) issues that are relevant to the Company and its business;
- has the ability to meet and/or enhance Board diversity requirements including but not limited to Board's gender/age/tenure/ cultural diversity and diversity of international expertise; and
- has financial literacy and able to read and understand financial statements.

2. Probity, Personal Integrity and Reputation

Probity, personal integrity and reputation are values that can be demonstrated through personal qualities such as honesty, integrity, diligence, independence of mind and fairness. These qualities may be demonstrated over time and demand a disciplined and on-going commitment to high ethical standards.

In assessing a Board member/candidate, the Board and NC may consider whether the person:

- has contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;
- is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;

- has any business in which he has a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;
- has engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not) or which otherwise reflect discredit on his/her professional conduct;
- has been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about his/her honesty and integrity;
- has contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;
- has been associated (in ownership or management capacity) with a company, partnership, operating entity, profession or other business association that the registration, authorisation, membership or license of which has been revoked, withdrawn or terminated;
- has acted (in the past) unfairly or dishonestly in his dealings with his/her customers, employer, auditors and regulatory authorities;
- has shown a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations;
- has contributed significantly to the failure of an organisation or a business unit; and
- is involved in any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of judgement when acting in the capacity of a Director which would be disadvantageous to the Company or the Company's interests.

3. Time and Commitment

Time and commitment may be demonstrated by a person who possesses the ability to discharge his/her role having regard to other commitments as well as his/her willing participation and contribution.

In assessing a Board member/candidate, the Board and the NC may consider whether the person:

- is able to devote time as a Board member having factored other outside obligations;
- is willing to participate actively in Board activities;
- is willing to devote time and effort to understand the businesses and exemplify readiness to participate in events outside the boardroom;
- is able to articulate views independently, objectively and constructively; and
- exhibits open mindedness to the views of others, if any, and is able to make considered judgment after hearing such views of others.

4. Financial Integrity

Financial integrity may be demonstrated by a person who manages his/her own financial affairs properly and prudently.

In assessing a Board member/candidate, the Board and the NC may consider whether the person:

- has been and will be able to fulfil his/her financial obligations, whether in Malaysia or elsewhere, as and when they fall due; and
- has been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.

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FIT AND PROPER CRITERIA
(FOR RE-APPOINTMENT/RE-ELECTION)

Ratings Guide

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Yes, always	Yes, most of the time	Yes, but seldom	No
OR			
Above average	Average	Below average	Poor

Assessment Criteria		Ratings				Comments
		1	2	3	4	
Section A : Fit and Proper						
1.	This Director has not been questioned, publicly or privately, of his honesty, integrity, professional conduct or business ethics or practices which are deceitful, oppressive or improper.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2.	This Director has the character, experience, integrity, competence and time to effectively discharge his role as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.	This Director has shown willingness to maintain effective internal control systems and risk management practices.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4.	This Director possesses relevant qualifications, knowledge, experience and ability to understand the technical requirements, risks exposure and management of the Company's business.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Section B : Contribution and Performance						
5.	This Director probes management to ensure management has taken, and suggests management to take into consideration the varying opportunities and risks whilst developing strategic plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6.	This Director probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7.	This Director provides logic and honest opinions on issues presented and expresses disagreement on matters during the meeting, if any.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Assessment Criteria		Ratings				Comments
		1	2	3	4	
8.	This Director receives feedback from the Board or Board Committees and incorporates feedback obtained into decision-making process in an objective manner.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9.	This Director defends own stand through constructive deliberations at Board and/or Board Committee meetings, where necessary.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10.	This Director tackles conflicts and takes part in proposing solutions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11.	This Director offers practical and realistic advice to the Board and/or Board Committees discussions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12.	This Director takes initiative to demand for additional information, where necessary.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13.	This Director tests the quality of information and assumptions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
14.	This Director reviews and relates short-term concerns to long-term strategy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15.	This Director contributes to risk management initiatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
16.	This Director contributes personal knowledge and experience into the consideration and development of strategy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
17.	This Director facilitates objective-oriented decision-making process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18.	This Director prioritises context of issues to be in line with objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19.	This Director effectively and proactively follows up on areas of concern.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20.	This Director demonstrates willingness to devote time and effort to understand the Company, its business and displays readiness to participate in events outside the boardroom such as site visits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Section C : Calibre and Personality						
21.	This Director acts in good faith with integrity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
22.	This Director attends meetings well prepared and adds value to Board and/or Board Committee meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
23.	This Director works constructively with peers, the Company Secretary and senior management.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Assessment Criteria		Ratings				Comments
		1	2	3	4	
24.	This Director offers insight to matters presented with requisite knowledge and skills, and shares information.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
25.	This Director encourages others to get things done, is decisive and action-oriented.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
26.	This Director is articulate in a non-confrontational and comprehensible manner.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
27.	This Director understands individual roles and responsibilities and ensures contributions are contemporary with the development.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
28.	This Director's behaviour engenders mutual trust and respect within the Board and with other key officers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
29.	This Director communicates effectively with shareholders.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
30.	This Director contributes constructively to the development of strategy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
31.	This Director scrutinises and monitors the performance of management in meeting agreed goals and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
32.	This Director satisfies himself that the financial information is accurate, and financial controls and systems of risk management are robust and defensible.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Section D : Sustainability						
33.	Rate the ability of this Director in distilling sustainability related risks facing the Company which are material to its businesses and strategies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
34.	This Director understands and monitors sustainability issues including climate-related risks which are relevant to the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	