

Version: 1.0
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Approved by: The Board of DKSH Holdings (Malaysia) Berhad

1. Introduction

1.1 All members of the Board are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.

1.2 The fit and proper assessment on any person identified to be appointed as a Director or to continue holding the position as a Director within DKSH Holdings (Malaysia) Berhad shall be conducted prior to the initial appointment or proposed re-election/re-appointment as a Director. The fit and proper assessment on a Director may also be conducted whenever DKSH Holdings (Malaysia) Berhad becomes aware of information that may materially compromise a Directors' fitness and propriety.

The Nomination Remuneration Committee (NRC) and the Board, in conducting the above fit and proper assessment, shall be guided by the Directors' Fit and Proper Policy as described in Paragraphs 1.3, 1.4 and 1.5 below.

1.3 Firstly, any person to be appointed as a Director or to continue holding the position as a Director within DKSH Holdings (Malaysia) Berhad must not be disqualified or deemed to be disqualified or vacated his office.

In assessing a person's fitness and propriety, the Board through its NRC, shall consider all relevant factors based on the following overarching criteria:

- Character and Integrity;
- Experience and Competence; and
- Time and Commitment.

1.4 The NRC shall determine the specific factors for its consideration in a fit and proper assessment, having regard to the circumstances and requirements relevant to DKSH Holdings (Malaysia) Berhad. Amongst the key factors that underpin the above overarching criteria are as outlined below, which would be assessed by the NRC taking into account their relative importance.

(a) Character and Integrity:

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

- (iii) Financial integrity
 - He manages personal debts or financial affairs satisfactorily;
 - He demonstrates the ability to fulfill personal financial obligations as and when they fall due;
 - (iv) Reputation
 - He is of good repute in the financial and business community;
 - He has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
 - He 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;
 - (b) Experience and competence:
 - (i) Qualifications, training and skills
 - He possesses education qualification that is relevant to the skill set that such director is earmarked to bring or to bear onto the boardroom (i.e. a match to the board skill set matrix);
 - He has a considerable understanding on the workings of a corporation;
 - He possesses general management skills as well as understanding of corporate governance, and appreciation of sustainability issues;
 - He keeps knowledge current based on continuous professional development;
 - He possesses leadership capabilities and a high level of emotional intelligence.
 - (ii) Relevant experience and expertise
 - He 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
 - He had a career of occupying a high level position in a relevant organization, and was accountable for driving or leading the organization's governance, business performance or operations;
 - He possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.
 - (c) Time and commitment:
 - (i) Ability to discharge role having regard to other commitments
 - He is 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
 - He demonstrates willingness to participate actively in board activities;
 - He demonstrates willingness to devote time and effort to understand the business and exemplifies

readiness to participate in events outside the boardroom;

- He manifests passion in the vocation of a director;
- He exhibits ability to articulate view independently, objectively and constructively
- He exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others

- 1.5 A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director within DKSH Holdings (Malaysia) Berhad shall be required to make the fit and proper declaration in the form as set out in Appendix 1 of this Directors' Fit and Proper Policy or in such other forms as the NRC may from time to time prescribe or approve.

Petaling Jaya, May 25, 2022