



岩石汽车工业集团

SOLID AUTOMOTIVE BERHAD (1016725-P)

SOLID AUTOMOTIVE GROUP OF COMPANIES FIT AND PROPER POLICY

1. Introduction

The Board of Directors (“the Board”) of Solid Automotive Berhad (“the Company”) believes that it is in the best interest of the Company, its subsidiaries and its stakeholders that its Directors are with the required character, experience, integrity, competence and time to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Company and its subsidiaries (“the Group”). The scope of the Fit and Proper Policy applied to the existing Directors of the Company and the subsidiaries seeking for re-appointment or candidates for nomination or appointment as a Director of the Company and the subsidiaries (exclude the Directors appointed by other shareholders of the subsidiaries).

This Fit and Proper Policy is formed part of “**POLICY AND PROCEDURES ON NOMINATION AND APPOINTMENT OF DIRECTOR AND RE-APPOINTMENT OF DIRECTOR**” established and approved by the Board.

2. Duties and Responsibilities

i. The Board

In this regard, the Board is ultimately responsible for ensuring that all existing Directors of the Company and the subsidiaries seeking for re-appointment or candidates for nomination or appointment as a Director of the Company and the subsidiaries fulfil fit and proper requirements and for conducting assessments of the fitness and propriety of Directors of the Company and its subsidiaries.

The Board is to include the results of the review and assessment and to provide a statement as to whether it supports the appointment of the candidate as Director of the Company or reappointment of the existing Director of the Company and the reasons thereof.

ii. Nominating Committee (“NC”)

The Board delegates the duty to perform fit and proper assessment on existing Directors of the Company and the subsidiaries seeking for re-appointment or candidates for nomination or appointment as a Director of the Company and the subsidiaries to the NC based on the fit and proper criteria as stated in **Section 3 – Fit and Proper Criteria** and making recommendations to the Board on these matters for its review and decision.



3. Fit and Proper Criteria

For the purpose of establishing whether a person is fit and proper to act as a Director or member of the Company or the subsidiaries (exclude the Directors appointed by other shareholders of the subsidiaries), the NC and the Board shall have regard to the person's:

- (i) **Probity, personal integrity and reputation** - person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness and must manage his/her debts or financial affairs prudently.
- (ii) **Financial integrity** - person must manage his/her debts or financial affairs prudently.
- (iii) **Experience and competence** - person must have the necessary skills, experience, ability and commitment to carry out the role.
- (iv) **Time and commitment** – person must devote sufficient time and commitment to discharge his/her roles and responsibilities as member of the Board, the Board Committee must participate actively and contribute constructively during the Board and Board Committee proceedings.

i. **Probity, personal integrity and reputation**

In assessing a person's level of probity, integrity and reputation to hold the office of Director in the Company or the subsidiaries (exclude the Directors appointed by other shareholders of the subsidiaries), the NC and the Board should consider matters including, but not limited, to the following that whether:

- a) the person is or has been the subject of any investigations by relevant enforcement unit or proceedings by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;
- b) the person is or has been the subject of any investigations by relevant enforcement unit or proceedings by a court of law, whether within Malaysia or elsewhere, of an offence, involving bribery, fraud or dishonesty or where the conviction involved a finding that he/she acted fraudulently or dishonestly or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;
- c) the person is or has been the subject of any proceedings by a court of law of an offence under the securities laws or the corporations laws of the Company's place of incorporation or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;
- d) the person is or has been the subject of any proceedings of a disciplinary or criminal nature, whether within Malaysia or elsewhere, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;
- e) the person is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his/her judgement when acting in the capacity of a Director of the Company and the subsidiaries which would be disadvantageous to the Company or subsidiaries' interest.



ii. Financial integrity

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

In assessing a person's financial integrity, the NC and the Board must consider all relevant factors, including but not limited to the following:

- (i) 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
- (ii) whether the person is or has been the subject of any proceedings by a court of law for any sum or debt owed by him/her which is unsatisfied or has been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.

The fact that a person may be of limited financial means does not in itself, affect the person's ability to satisfy the financial integrity criteria.

iii. Experience and competence

Experience and competence are demonstrated by a person who possesses the relevant competence, experience and ability, by virtue of his/her expected specific contribution/subject expert, role and responsibilities as a member of the Board of Directors, member of the Board Committees of the Company or subsidiaries, to understand the requirements of automotive industry and business of the Company or subsidiaries, the requirements of relevant laws and regulations of the Company or subsidiaries, the requirements of auditing, accounting and corporate governance, responsibilities as Directors in relevant jurisdictions, the risk relevant to the automotive industry and business of the Company or subsidiaries and the internal control system relevant to the automotive industry and business of the Company or subsidiaries.

In assessing a person's competence and capability, the NC and the Board should consider matters including, but not limited to the following:

- (i) whether the person has the appropriate and relevant qualification, training, skills, practical and experience to effectively fulfil the role and responsibilities as a Director of the Company or subsidiaries, by virtue of his/her expected specific contribution/subject expert, his/her role and responsibilities as a member of the Board of Directors, member of the Board Committees of the Company and subsidiaries; and
- (ii) whether the person has satisfactory past performance or expertise in the automotive industry and business of the Company or subsidiaries or subject matters that he/she is expected to contribute to the functioning of the Board, Board Committees of the Company or the subsidiaries.



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iv. Time and commitment

In order for the Director of the Company and its subsidiaries to effectively and diligently discharge his/her roles and responsibilities, it is critical that such person can spend reasonable amount of time and effort to meet the demand and expectations of such roles and responsibilities and is not “over-stretch”.

The NC and the Board shall take into consideration for a person to be appointed or re-appointed as director of the Company or its subsidiaries, the involvement of the said director in other public listed Directorships, level of involvement in the management of other companies and businesses not part of the Group and in other organisation and institutions including not for profit organisations.

For re-appointment as Director, NC and the Board is to take into consideration satisfactory results of the performance of such Director seeking for re-appointment on his/her participation (including his/her attendance at the meetings of the Board and Board Committee since the appointment or last re-appointment) and contribution during the Board and Board Committee proceedings.

4. Review and Approval of This Policy

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

This Policy will be reviewed by the Board as and when required and updated in accordance with the needs of the Group, and in any event, at least once every 3 years.