

FIT AND PROPER POLICY

1. INTRODUCTION

The Board of Directors (“the Board”) of Tong Herr Resources Berhad (“THR” or “the Company”), believes that it is in the best interest of the Company, its subsidiaries and its stakeholders that its Directors and members of its Key Senior Management are with 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 (excluding the Directors appointed by other shareholders of the subsidiaries) seeking for re-appointment or candidates for nomination or appointment as a Director or member of the Key Senior Management of the Company and the subsidiaries (excluding 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 KEY SENIOR MANAGEMENT AND RE-APPOINTMENT OF DIRECTOR***” established and approved by the Board.

2. DUTIES AND RESPONSIBILITIES

2.1 BOARD OF DIRECTORS

The Board is primarily responsible to ensure that the fit and proper assessments set out in this Policy are carried out for all Board members and Senior Management. The Board ensures that all Directors and Senior Management are fit and proper and have the necessary character, experience, integrity, competence and time to effectively discharge his or her role [Paragraphs 2.20A and 15.01(A) of MMLR].

2.2 Nominating Committees and Remuneration Committees

The Nominating Committees and Remuneration Committees is responsible for leading the review of the appropriate skills, experience and characteristics required of Board members and Senior Management through a set procedures, in the context of the needs of Tong Herr. Prior to the appointment of the new Directors and Senior Management, the Nominating Committees and Remuneration Committees shall complete an evaluation based on the dimensions listed in Section 3 of this Policy to assess the candidates' ability to discharge their duties effectively.

3. FIT AND PROPER ASSESSMENT

3.1 The Nominating Committees and Remuneration Committees will assess each person for a new appointment or re-appointment of Directors based on the criteria set under item 2.1 before recommending to the Board for approval. The Board Evaluation Form is set out in **Annexure 1** (The questionnaires are based on the Corporate Governance Guide 4th Edition).

3.2 For the appointment of new Director, the person required to complete the Prospective Directors Information as set out in **Annexure 2**.

3.3 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

4. REVIEW OF THE POLICY

The Nominating Committees and Remuneration Committees shall recommend any change to the Policy as the Nominating Committees and Remuneration Committees deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.