DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

1.1 The Board of Directors of Enest Group Berhad (hereinafter referred to as "Enest" or "Company") ("Board") and its subsidiary ("Group") provide strategic leadership that influences the financial position and future direction of the Group. Directors are required to possess the competence, character, diligence, honesty, integrity and judgement to properly perform their duties, in tandem with good corporate governance practices.

1.2 Accordingly, the Group must prudently manage the risk to its business and financial standing; and that all Directors are fit and proper. Hence, clear parameters on the selection process of Directors are important in ensuring qualified appointments at the leadership level.

1.3 The Director's Fit and Proper Policy ("Policy") serves to guide the Nomination Committee and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election.

2. OBJECTIVES

2.1 This Policy is designed to:

a) set out the Group's approach to the assessment of the fitness and properness of candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election;

b) Improve the overall quality of directors; and

c) Promote greater transparency on the criteria for Board appointments.

3. RESPONSIBILITIES

3.1 <u>The Board's Commitment and Responsibility</u>

The Board and the Nomination Committee are primarily responsible to ensure that all appointed Directors fulfil the fit and proper criteria and for conducting assessments of the fitness and properness of candidates to be appointed onto the Board and Directors who are seeking for re-election. For other key management personnel, decisions on appointments and assessments of fit and proper may be made by the Managing Director or designated personnel under the delegated authority of the Board and Nomination Committee.

The Board is committed to ensure that each person who holds a director position has the appropriate skills and experience in line with the role that they hold and will make all final determinations on the fitness and properness of the person.

3.2 Nomination Committee Responsibility

The Nomination Committee (with the assistance of the Company Secretary, where appropriate) is responsible for the assessment of existing Directors seeking re-election or candidates for nomination or appointment as a Director of the Group and making recommendations to the Board on these matters.

3.3 Company Secretary Responsibility

The Company Secretary is responsible for:

a) Ensuring that appropriate fit and proper assessments are carried out for each existing Director seeking for re-election or candidates for nomination or appointment as a Director of the Group;

b) Making submissions about any matters that are relevant to a particular assessment of a Director's or candidates' fitness and properness;

c) Providing information to the Nomination Committee on matters concerning the procedure for fit and proper assessments; and

d) Ensuring that the Group takes all reasonable steps to protect the information and documents collected for fit and proper assessments from misuse, unauthorised access, modifications or disclosure.

4. REQUIRED NOTIFICATION

4.1 The Company Secretary must keep and maintain a current list of all Directors and key management personnel, in addition to details of the competencies and training required for each Director and key management personnel. The Nomination Committee must approve the list of Directors and key management personnel maintained by the Company Secretary and any changes to that list.

4.2 As soon as possible after a person is nominated or proposed for election or appointment to a Director or key management personnel position, the Company will make available to that person a copy of this policy and the details of the competencies and training required for the relevant Director or key management personnel. This Policy will also form part of the induction process for all Directors or key management personnel.

4.3 The Group will also take reasonable steps to ensure that each Director or key management personnel is aware of, and fully understands this Policy before any assessment of their suitability to hold a Director or key management personnel position is conducted.

5. FIT AND PROPER CRITERIA

The general criteria that may form the overarching criteria in relation to this policy are outlined below:

Character and integrity

(i) Probity

- Is compliant with legal obligations, regulatory requirements and professional standards.
- Has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

(ii) Personal integrity

- 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.
- Service contract(s) (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity.
- Has not abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance.

(iii) Financial integrity

- Manages personal debts or financial affairs satisfactorily.
- Demonstrates ability to fulfil personal financial obligations as and when they fall due.

(iv) Reputation

- Is of good repute in the financial and business community
- Has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.
- 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.

Experience and competence

(i) Qualifications, training and skills

- 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).
- Has a considerable understanding on the workings of a corporation.
- Possesses general management skills as well as understanding of corporate governance and sustainability issues.
- Keeps knowledge current based on continuous professional development.
- Possesses leadership capabilities and a high level of emotional intelligence.

(ii) Relevant experience and expertise

- 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

- Had a career of occupying a high level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations.
- Possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

Time and commitment

(i) Ability to discharge role having regard to other commitments

- 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

- Demonstrates willingness to participate actively in board activities.
- Demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.
- Manifests passion in the vocation of a director.
- Exhibits ability to articulate views independently, objectively and constructively.
- Exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

6. PROCEDURE FOR FIT AND PROPER ASSESSMENT

6.1 The fit and proper assessments on each person within the scope of this Policy document shall be conducted both prior to initial appointments or whenever the Group becomes aware of information that may materially compromise a person's fitness and properness.

6.2 The Group must support the fit and proper assessments with relevant information in relation to the person being assessed. Where significant reliance is placed on information that is obtained from the person being assessed, and that information is material to the determination of the person's fitness and properness, the Group shall take reasonable steps to verify the information against independent sources.

6.3 The Group shall have regard to the factors set out in Section 5 in assessing a person's fitness and properness. The Group shall assess the factors individually, as well as collectively, taking into account their relative importance.

6.4 Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The Group should consider the circumstances surrounding a person's failure to meet specific factors, including the lapse of time since the occurrence of events, other contributing factors and the potential risks posed to the Group.

6.5 The assessment process will involve a good measure of judgement, which should be exercised objectively and in the best interests of the Group. The Group should consider that information relevant to such assessment may vary depending on the degree of an individual's influence and responsibilities in the affairs of the Group.

7. REVIEW OF THIS POLICY

7.1 The Nomination Committee should conduct a periodic review of the criteria to be used in the fit and proper assessment of Directors. The Nomination Committee should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

7.2 The Board should disclose the application of the Company's Fit and Proper Policy in the nomination and election of its directors in the annual report.

7.3 The Board has approved this Policy on 24 September 2025 and remains effective until the next review.

7.4 Any change to this Policy shall be made available on the Company's website www.enest.com.my.