

DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

- 1.1** Life Water Berhad ("Life Water" or the "Company") has adopted the Directors' Fit and Proper Policy to ensure that all the directors of the Company and its subsidiaries (the "Group") possess the character, business experience and expertise, knowledge and competence to carry out their roles and responsibilities in the best interest of the Group and its stakeholders.
- 1.2** In formulating this Policy, the Company is obliged to comply with the requirements contained in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other applicable rules and regulations at the prevailing country to ensure compliance with the obligations imposed.

2. OBJECTIVE

- 2.1** The objective of this Fit and Proper Policy is to outline a set of formal and transparent criteria for the Nomination Committee ("NC") and the Board of Directors (the "Board") in the selection of candidates for appointment as Directors and in the evaluation of Directors annually and re- election at the annual general meeting.

3. FIT AND PROPER CRITERIA

- 3.1** The fit and proper criteria to be considered in assessing a candidate for appointment as Director and for re- election as Director include but not limited to the following:-

3.1.1 Character and integrity

(a) Probity

- i. in compliance with legal obligations, regulatory requirements and professional standards.
- ii. has not been obstructive, misleading or untruthful in dealings with auditors, regulatory bodies or a court.

(b) Personal integrity

- i. 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/her professional conduct.
- ii. service contract (i.e. in the capacity of management or director) has not been terminated in the past due to concerns on personal integrity.
- iii. has not abused other positions (i.e. that he or she has held) in a manner that contravenes principles of good governance and professional ethics.

- (c) Financial integrity
 - i. manages personal debts or financial affairs satisfactorily.
 - ii. demonstrates ability to fulfill personal financial obligations as and when they fall due.

- (d) Reputation
 - i. is of good repute in the financial and business community.
 - ii. has not been subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.
 - iii. has not been substantially involved in the management of business or company which has failed, where that failure has been occasioned or attributed in part to deficiencies in that person's integrity and management capabilities.

3.1.2 Experience and competence

- (a) Qualifications, training and skills
 - i. possess education qualification that is relevant to the skill set that the person is earmarked to bring to bear onto the boardroom (i.e. a match to the board skill set matrix).
 - ii. has a considerable understanding of the workings of a corporation.
 - iii. possess general management skills as well as understanding of corporate governance and sustainability issues, including material issues on environmental, social and governance ("ESG").
 - iv. financially literate.
 - v. keeps knowledge current based on continuous professional development.
 - vi. possess leadership capabilities and a high level of emotional intelligence.

- (b) Relevant experience and expertise
 - i. 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.

- (c) Relevant past performance or track record
 - i. had a career of occupying high-level position in a comparable organisation and was accountable for driving or leading the organisation's governance, business performance or operations.
 - ii. possesses a commendable past performance record as gathered from the results of the Board effectiveness evaluation.

3.1.3 Time and commitment

- (a) Ability to discharge role having regard to other commitments
 - i. able to devote time as a Board member, having factored in other outside obligations including concurrent board positions held by the Director across listed issuers and non-listed entities (including non-profit organisations).
- (b) Participation and contribution to the Board or track record
 - i. demonstrates a willingness to participate actively in Board activities.
 - ii. demonstrates a willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.
 - iii. manifests passion in the vocation of a Director.
 - iv. exhibits the ability to articulate views independently, objectively and constructively.
 - v. exhibits open-mindedness to the views of others and the ability to make considered judgements after hearing the views of others.

4. EVALUATION OF A CANDIDATE FOR DIRECTORSHIP OR RE-APPOINTMENT OF DIRECTOR

- 4.1** The fit and proper assessments on each director within the scope of this Policy shall be conducted by the Company both prior to initial appointments and at regular intervals of at least annually or whenever the Company becomes aware of information that may materially compromise a director's fitness and propriety.
- 4.2** Failure to meet one of the criteria does not necessarily equate to the failure to meet the fit and proper criteria as a whole. The Company will consider the specific circumstances surrounding a candidate's failure to meet the fit and proper criteria, which could be the lapse of time since the occurrence of the event, the significance of the event from the perspective of potential risks posed to the Company.

5. NON-DISCLOSURE OF SENSITIVE AND CONFIDENTIAL INFORMATION

Whilst the Company should disclose the customised considerations and expectations in this Policy, the Company will not disclose any sensitive and confidential information.

6. REVIEW OF POLICY

The Policy shall be approved by the Board, upon the recommendation of the NC, and shall be reviewed annually or as when to reflect the current regulatory requirements, best practices or the current needs and structure of the Group.

This Directors' Fit and Proper Policy was approved and adopted by the Board on 22/12/2023.