



DIRECTOR FIT AND PROPER POLICY

Version 1.1

EDARAN/DIRECTOR/POL

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Annexure 1 - Key Personnel Evaluation Form

1. Introduction

1.1 Background

On 19 January 2022, Bursa Malaysia had issued some amendments to the Main Market Listing Requirements in relation to the directors appointment. Among the new requirements is that listed corporation and its subsidiary is required to have a ‘Directors Fit and Proper Policy’ for the appointment and re-appointment of the directors.

This policy is required to be published in the Company’s website and its application during the financial year is to be disclosed in the Nominating Committee Statement in the Annual Report.

This amendment is in line with:-

- i. the Main Market Listing Requirements, Chapter 2 – General, Paragraph 2.20A which stipulates that every listed corporation must ensure that each of its **Directors, Chief Executive or Chief Financial Officer** to have the character, experience, integrity, competence and time to effectively discharge its role.
- ii. Companies Act 2016. As stipulated in Section 213 –
 - (1) A director of a company shall at all times exercise his powers in accordance with this Act, for a proper purpose and in good faith in the best interest of the company.
 - (2) A director of a company shall exercise reasonable care, skill and diligence with:-
 - (a) The knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities; and
 - (b) Any additional knowledge, skill and experience which the director in fact has.
 - (3) A director who contravenes this section commits an offence and shall, on conviction, be liable to imprisonment for a term not exceeding 5 years or to a fine not exceeding RM3 million or to both.

1.2 Objective

Arising from the above, this policy is set out to comply with the stipulated requirements and to ensure only individuals with high calibre and possess the right blend of experience, knowledge and skill are appointed on the Board. This policy would also serve as guidance to the Nominating Committee and the Board in assessing and reviewing potential candidates to be appointed as new member of Board of Director as well as for election or re-election of Directors.

1.3 Scope

The policy applies to all Directors and other key officers of the company.

2. Fit and Proper Criteria

The fit and proper criteria include but not limited to:-

2.1 Personal Integrity

The person with strong moral or value and showing consistent and uncompromising adherence to strong moral and ethical principles and values as he/she is to act in the best interest of the Company.

2.2 Probity

The person with quality of being honest and behaving correctly in order to exercise the power for a proper purpose and in good faith.

2.3 Reputation

The person with good repute in financial and business community to demonstrate the ability in managing a good business or company.

2.4 Financial Integrity

The person demonstrates responsibility in personal financing obligations and satisfactorily manages his/her financial affairs.

2.5 Competence and Capability

The person possesses relevant experience and expertise due to past roles and responsibilities held, education qualification and skill set. Able to apply the knowledge, skill and experience in directing and managing the business affairs of the Company.

2.6 Time and Commitment

Prepare for Board meetings, contribute constructively to the discussion and decision making. Maintain a sound understanding on nature of the business and keep abreast with the relevant industry development to be able to discharge the duties and responsibilities effectively.

3. The Evaluation

For the assessment on the Fit and Criteria above, the Nominating Committee, shall regard but not limited to the following considerations:

- a) A person with good character and high credibility and integrity. Some of the criteria to be considered:-
 - i. The person has never been involved with any disciplinary or criminal action
 - ii. The person has not contravened any law
 - iii. The person has not contravened any requirements and standards made by Securities Commission / Bursa Malaysia / Company Act
 - iv. The person has never been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal
 - v. The person has never been engaged or associated with any business practices which are deceitful, oppressive or otherwise improper which reflect discredit on his professional conduct
 - vi. The person has never been dismissed or resigned from a position due to malpractice, incompetence and dishonesty
 - vii. The person has never been associated with any illegal business conduct that has had the license revoked or terminated
- b) The person is not bankrupt and has never been convicted within or outside Malaysia of an offence. Some of the criteria to be considered:-
 - i. The person has never held a position in the management or connected with a business that has gone insolvency
 - ii. The person has never been a director or in the management of any corporation which has been wound up by the authority
- c) Good engagement and commitment. Some of the criteria to be considered:-
 - i. The person has never acted unfairly or dishonestly in his dealings with his customers, employer, auditors and regulatory authorities
 - ii. The person has never shown strong objection or lack of willingness to cooperate with regulatory authorities to comply with legal, regulatory and professional requirements and standards

- iii. The person never has contributed to the failure of a business
- iv. The has person has never shown strong objection or lack of willingness to maintain effective internal control systems and risk management practices
- v. The person is free from any business which could pose a conflict of interest or interfere with the exercise of his judgement

The Evaluation Form set out in Annexure 1 shall be used for appointment or re-appointment of Director.