

FIT AND PROPER POLICY

1. Introduction

The Board and Nominating and Remuneration Committee (“NRC”) are primarily responsible for ensuring that all directors and key senior management of the Company possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. Hence, a clear parameters on selection process of directors and key senior management are crucial to the Company.

The Company has adopted the Fit and Proper Policy (“the Policy”) to ensure a formal, rigorous and transparent process for the appointment of directors (including reappointments) and key senior management of the Company and its subsidiaries.

1. Objective

The key objective of the Policy is to guide the NRC and the Board in their review and assessment of candidates for appointment as directors, key senior management as well as directors who are seeking for re-election in the Company and/or its subsidiaries.

2. Fit and Proper Criteria

Amongst others, the considerations underpinning the “fit and proper” criteria of directors including but not limited to the following:

- (i) Character and integrity;
- (ii) Experience and competency; and
- (iii) Time and commitment.

2.1 Character and integrity

(a) Probity

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

(b) Financial integrity

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

(c) 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 contracts (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.

(d) Reputation

- is of good repute in the financial and business community;
- has not been the subject of criminal proceedings or enforcement action, in managing or governing an entity for the past 5 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.

2.2 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 organization, and was accountable for driving or leading the organization's governance, business performance or operations;
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

2.3 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 organizations).

(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.

3. Assessment and Procedures

The NRC will assess a candidate identified for a new appointment as director, key senior management and a director who standing for re-election / appointment based on the criteria set under item 2 above before recommending to the Board for consideration and approval. The fit and proper assessment may also be conducted whenever the company becomes aware of information that may materially compromise a director's fitness and propriety.

4. Identify Candidates

To align with the Practice 5.6 of Malaysian Code on Corporate Governance, in identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing directors, management or major shareholders.

The board utilises independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the NRC should explain why these source(s) suffice and other sources were not used.



(Company No. 200001004231 (506836-X))
(Incorporated in Malaysia)

5. Review of the Policy

The NRC shall with the assistance of the Management review the adequacy of this Policy on a regular basis and may from time to time recommend the proposed changes to the Board as it deems appropriate to align to best practices and regulatory changes.