



Building Solid Foundations

THE PINTARAS GROUP

**DIRECTORS' FIT AND PROPER POLICY
JULY 2022**

(Revised on 27 October 2022)



PINTARAS JAYA BERHAD

DIRECTORS' FIT AND PROPER POLICY

INTRODUCTION

Pintaras Jaya Berhad ("PJB" or "Company") has adopted the Directors' Fit and Proper Policy ("DFP Policy") to ensure a formal and diligent process for the appointment and re-election of directors of the Company and its subsidiaries ("PJB Group" or "the Group").

In formulating this DFP 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.

OBJECTIVE OF THE POLICY

This DFP Policy aims to guide the Company's Nomination Committee ("NC") and Board of Directors (the "Board") in reviewing and assessing candidates who are to be appointed to the Board as well as directors who are seeking for election or re-election in compliance with Paragraph 15.01A of MMLR.

The objective of this DFP Policy is to ensure that PJB Group is led by persons of integrity who are credible and competent as well as to comply with the relevant regulatory obligations.

The factors that form the overarching criteria in relation to this DFP Policy are as follows:-

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

SCOPE OF THE POLICY

This DFP Policy shall apply to the Board of PJB Group.

PROCEDURE FOR THE ASSESSMENT OF CANDIDATE FOR APPOINTMENT AS DIRECTOR OR RE-ELECTION OF DIRECTOR

The NC shall assess each candidate for new appointment as Director based on the fit and proper criteria as spelt out in the Assessment before recommending to the Board for approval.



For the subsidiary level, the NC and the Board shall delegate to the respective subsidiary boards to conduct the fit and proper assessment on any person identified to be appointed as a Director or whenever it is deemed necessary.

For the re-election of Director, the annual evaluation of the Director based on the Individual Director Self Evaluation Form shall include the fit and proper criteria to ensure the Director meets the criteria on a continuing basis. The NC or the respective subsidiary boards shall make the recommendation on the re-election of the Director based on the results of the evaluation.

The fit and proper assessments must be supported by relevant information in relation to a director. 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 propriety, the NC or the respective subsidiary boards is expected to take reasonable steps within permissible written laws to verify the information against independent sources.

The documentation of fit and proper assessments for each director are part of the Company's internal documents and shall not be disclosed or provided to any other party.

Where the NC or the respective subsidiary boards has assessed that a person:

- (i) is not fit and proper for a position, the Board shall not appoint the person to the said position; and
- (ii) is no longer fit and proper for a position, the Board shall take reasonable steps to remove the person from such position as soon as practicable and in the interim, institute necessary measures to mitigate risks associated with the person continuing to hold the position.

FIT AND PROPER CRITERIA

The criteria is based on 3 main components:-

1. Character and Integrity
 - Probity, Financial Integrity, Diligence and Reputation
2. Experience and Competency
 - Qualification, Experience, Skills, Expertise, Ability and Capability
3. Time and Commitment
 - Able to devote time and commitment to deliver

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THE ASSESSMENT

In assessing if a candidate meets the criteria under this DFP Policy, the NC or the respective subsidiary boards shall consider the following factors before recommending to the Board or the respective subsidiary boards for approval to ensure that:-

1. Character and integrity

(a) Probity

- Person is compliant with legal obligations, regulatory requirements and professional standards;
- Person has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court; and
- Person has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters pertaining to the person's honesty, integrity or business conduct.

(b) Personal integrity

- Person has not perpetrated or participated in any business practices which are deceitful, oppressive or improper (whether lawful or not), or which otherwise reflect discredit on his/her professional conduct;
- Person has not been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary position resulting from honesty and integrity issues;
- Person has not abused his/her positions (e.g. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance and professional ethics; and
- Person is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his or her judgement when acting in the capacity of Director which would be detrimental to the Group.

(c) Financial integrity

- Person manages personal debts or financial affairs satisfactorily; and
- Person demonstrates ability to fulfil personal financial obligations as and when they fall due.

(d) Good Reputation

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



- Person 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. Experience and competency

(a) Qualifications, training and skills

- Person possesses academic qualification that is relevant to the skill set that the Director is earmarked to bring to bear to the boardroom (i.e. a match to the board skill set matrix);
- Person has a considerable understanding on the business and workings of a corporation;
- Person possesses general management skills as well as understanding of corporate governance and sustainability issues;
- Person keeps knowledge current based on continuous professional development;
- Person possesses leadership capabilities and a high level of emotional intelligence; and
- Person possesses financial literacy especially ability to read and understand financial statements.

(b) Relevant experience and expertise

- Person 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

- Person 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; and
- Person possesses commendable past performance record as gathered from the results of the Board effectiveness evaluation.

3. Time and commitment

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

- Person is 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).

(b) Participation and contribution in the Board or track record

- Person demonstrates willingness to participate actively in Board activities;
- Person demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- Person manifests passion in the vocation of a Director;



- Person exhibits ability to articulate views independently, objectively and constructively; and
- Person exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others.

(c) Number of Directorships

- Person shall not hold more than five (5) directorships in listed companies.

REVIEW OF THE POLICY

This DFP Policy shall be reviewed periodically to ensure its effectiveness and in compliance with the requirements of PJB Group, Malaysian Code on Corporate Governance, Bursa Securities MMLR and/or any other regulatory requirements.