



**PMB TECHNOLOGY BERHAD**

Registration No. 200201016594 (584257-X)

## **DIRECTORS' FIT AND PROPER POLICY**

<b><u>TABLE OF CONTENT</u></b>	<b><u>PAGE</u></b>
<b>1. DEFINITIONS</b>	<b>3</b>
<b>2. PURPOSE</b>	<b>3</b>
<b>3. POLICY STATEMENT</b>	<b>3</b>
<b>4. RESPONSIBILITY</b>	<b>3-4</b>
<b>5. FIT AND PROPRIETY STANDARDS</b>	<b>4-7</b>
<b>6. ASSESSMENT PROCESS</b>	<b>7-8</b>
<b>7. DOCUMENT RETENTION AND REPORTING</b>	<b>8</b>
<b>8. REVIEW OF THIS POLICY</b>	<b>8</b>
<b>9. DISCLOSURE OF THIS POLICY</b>	<b>8</b>
<b>10. APPROVAL</b>	<b>8</b>
<b>11. APPENDIX A</b>	

## 1.0 DEFINITIONS

“PMBT” or “the Company”	:	PMB Technology Berhad [Registration No. 200201016594 (584257-X)]
“Board”	:	Board of Directors of PMBT
“NC”	:	Nomination Committee of PMBT
“PMBT Group”	:	The Company and its subsidiaries
“Responsible Persons”	:	The existing directors or candidates for nomination or appointment or re-election as director of the Group, as the case may be.
“Policy”	:	The Directors' Fit and Proper Policy of the Group

## 2.0 PURPOSE

The purpose of this Policy is to set out the Group's approach to the assessment on the fitness and propriety of Responsible Persons to ensure that they have the character, experience, integrity, competence and commitment of time to effectively discharge their roles and responsibilities which include diligence, honesty and judgement to perform properly the duties of that position, in tandem with good corporate governance practices. This Policy is designed to be a risk treatment plan for the risks posed to the Company from having persons who are not fit and proper acting in a Responsible Person's position.

## 3.0 POLICY STATEMENT

With a view of achieving sustainable development, the Group is committed to the highest standard of integrity, openness, and accountability in the conduct of its businesses and operations. This Policy is intended to address the governance of the quality and integrity of the Responsible Persons.

## 4.0 RESPONSIBILITY

### 4.1 The Board's Commitment and Responsibility

In the application of this Policy, the Board and NC are primarily responsible in ensuring that all Responsible Persons fulfil the fit and proper criteria and requirements and in conducting assessment for fitness and propriety of the Responsible Persons. Ultimately, the Board will make all the final determination on their fitness and propriety.

### 4.2 The NC's Responsibility

The NC is responsible for the following:-

- (a) The assessment on existing directors or candidates for nomination or appointment as directors of the Company and make recommendations to the Board on these matters;

DIRECTORS' FIT AND PROPER POLICY

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- (b) Ensuring that appropriate fit and proper assessments are carried out for each Responsible Person;
- (c) Reporting to the Board about any matters that are relevant to a particular assessment of a Responsible Person's fitness and propriety;
- (d) Providing information to the Board on matters concerning the criteria and procedure for fit and proper assessments including addressing any gaps in the assessment; and
- (e) Ensuring that the Group takes all reasonable steps to protect the information and documents, which are collected for fit and proper assessments purposes from misuse, unauthorised access, modifications or disclosure.

## 5.0 FIT AND PROPRIETY STANDARDS

The NC shall periodically propose potential/new candidates to the Board and for the assessment of all Responsible Persons, the NC shall be using the principles underpinning the criteria listed below to assess the suitability of the candidates prior to recommending to the Board for the appointment and reappointment as well as the fitness and propriety of the Responsible Persons.

The assessment shall have regard to the considerations set out below in paragraphs 5.1, 5.2 and 5.3 of this Policy.

### 5.1 Fit and Proper Criteria

For the purpose of establishing whether a person is fit and proper to hold the Responsible Person's position, the Company shall have regard to the person's:

- (a) **Character and Integrity** – probity, honesty, personal integrity, financial integrity and reputation.
- (b) **Experience and Competence** – qualifications, training and skills, knowledge, relevant experience and expertise, relevant past performance or track record.
- (c) **Time and Commitment** – ability to discharge role having regard to other commitments, participation and contribution in the board or track record.

The assessment on the above criteria shall have regard to the considerations set out below in paragraphs 5.1.1 to 5.1.3 of this Policy.

#### 5.1.1 Character and Integrity

In assessing the person's character and level of integrity to hold the position as Responsible Person, the NC and the Board should consider matters including, but not limited to the following:

Probity

- (a) whether the person has complied with legal obligations, regulatory requirements and professional standards and has not been the subject of any legal or disciplinary proceedings either civil or criminal in nature; and
- (b) whether the person has at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure or

DIRECTORS' FIT AND PROPER POLICY

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potential failure to comply with all legal, regulatory and professional requirements and standards.

Personal Integrity

- (a) whether the person has 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;
- (b) whether the person had been terminated, asked to resign or has resigned from the employment in the past due to personal integrity; and
- (c) whether the person had abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance.

Financial Integrity

- (a) whether the person manages personal debts or financial affairs satisfactorily;
- (b) whether the person demonstrates ability to fulfill personal financial obligations as and when they fall due;
- (c) whether the person has substantially involved in the business or company in a management which has failed, gone into receivership, insolvency or involuntary liquidation due to incompetence and deficiencies in that management.

Reputation

- (a) whether the person is of good repute in the financial and business community;
- (b) whether the person has been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- (c) whether the person has 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;
- (d) whether the person is of good repute in the society, financial and business community and has not been the subject of civil or criminal proceedings or enforcement action in the past 10 years while managing or governing an entity either in Malaysia or elsewhere;
- (e) whether the person is financially healthy, is not an undischarged bankrupt or been a subject of a judgement debt which has not been satisfied in whole or in part and demonstrates the ability to fulfil personal financial obligations as and when they fall due, whether in Malaysia or elsewhere.

**5.1.2 Experience and Competence**

Experience and competence are demonstrated by a person who possesses relevant education, knowledge, ability, experience and competence to

DIRECTORS' FIT AND PROPER POLICY

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understand the technical requirements of the business and the management process required to perform his/her role as a Responsible Person in the relevant capacity effectively.

In assessing the person's experience and competence, the NC and the Board should consider matters including, but not limited to the following:

Qualifications, training and skills

- (a) whether the person has the appropriate qualifications and training that are relevant to the skillset that the director is earmarked to bring to the board (i.e. match to the board's skill set matrix);
- (b) whether the person had satisfactory past performance or expertise and/ or had experiences in leading or driving governance, business performance or operations with good past performance track records gathered from board effectiveness evaluation;
- (c) whether the person possesses general management skills as well as understanding of corporate governance and sustainability issues;
- (d) whether the persons keeps knowledge current based on continuous professional development; and
- (e) whether the person possesses management and leadership capabilities and a high level of emotional intelligence.

Relevant experience and expertise

- (a) whether the person possesses relevant experience and expertise with due consideration given to length of past service, nature and size of businesses, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

Relevant past performance or track record

- (a) whether the 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
- (b) whether the person possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

**5.1.3 Time and Commitment**

In assessing the person's time and commitment, the NC and the Board should consider matters including, but not limited to the following:

Ability to discharge role having regard to other commitments

- (a) whether the person is able to devote sufficient time as a board member, having factored other external obligations including concurrent board positions held by the director across the company and other listed or non-listed companies (including not-for-profit organisation);

DIRECTORS' FIT AND PROPER POLICY

- (b) whether the person has the ability to discharge the role and responsibility of the position, has the passion as a director and exhibits actively the ability to articulate views independently, objectively and constructively in board meetings; and
- (c) whether the person exhibits open mindedness to the views of others and can make a considered judgement after hearing the views of others.


*Participation and contribution in the board or track record*

- (a) demonstrates willingness to devote time and effort to understand the businesses, as well as participate actively in board activities;
- (b) manifests passion in the vocation of a director;
- (c) exhibits ability to articulate views independently, objectively and constructively; and
- (d) exhibits open-mindedness to the views of others and ability to make a considered judgement after hearing the views of others.

**6.0 ASSESSMENT PROCESS**

**6.1 ASSESSMENT PROCESS**

The process for assessing the fitness and propriety of the Responsible Persons entails the following steps:

	<b><u>Appointment of New Director</u></b>	<b><u>Existing Director</u></b>
	- Identification of skills applicable/ required for new candidates; - Selection of candidates;	- Re-appointment and/or evaluation of existing directors, as the case maybe;
	- "Fit and Proper" assessment by the NC based on the criteria in paragraph 5 above;	
	- The NC's evaluation, deliberation and confirmation that the Responsible Person is fit and proper for the Board and the Group's purposes as per <b>Appendix A</b> ; - Recommendation by NC for the Board's approval; and	
	- Interaction with the new candidate(s), if required;	- Interaction between existing directors
- Decision by the Board on the recommended appointment of the new director.	- Decision by the Board on the recommended re-appointment/ evaluation of the existing director, as the case may be.	

All Responsible Persons (and potential Responsible Persons) will be provided with a copy of this Policy prior to their appointments and at the commencement of any further assessment.

## **6.2 FIT AND PROPER CRITERIA AND PRUDENT JUDGEMENT**

The Company will make its decision based on the provision of information as outlined within this Policy. The Company will also make reasonable enquiries to obtain relevant information that can be taken into account in making a fit and proper assessment, in addition to self-assessment forms completed by the Responsible Persons and the potential Responsible Persons. The information can include a person's formal qualifications and attainments, curriculum vitae, referee reports obtained as part of the recruitment process, and any other publicly available information that is relevant to the fit and proper criteria.

## **6.3 FAILURE TO BE FIT AND PROPER**

Where a person is found to be not fit and proper due to lack of character, diligence, honesty, integrity or judgement, or is found to be misleading or deceptive, the Board has power to take appropriate action.

## **6.4 DISCLOSURE OF INFORMATION RELEVANT TO A FIT AND PROPER ASSESSMENT**

All Responsible Persons are required to disclose to the Company all information that may be relevant to a fit and proper assessment. The Company will take all reasonable steps to ensure compliance with Personal Data Protection Act in collecting and using the information about the Responsible Persons as part of the assessment process. The information gathered from the assessments shall be strictly for the NC's use for the purpose of the assessment and not for public disclosure

Conflict of interest is required to be disclosed by all Responsible Persons on appointment and ongoing basis, or for directors, being provided with the opportunity to declare any interests at each Board meeting.

All information provided by the Responsible Person is required to be true, accurate and complete for submission to the NC/Company.

## **7.0 DOCUMENT RETENTION AND REPORTING**

The Company will maintain the file information related to the fit and proper assessment of all current and recently past Responsible Persons.

## **8.0 REVIEW OF THIS POLICY**

This policy shall be reviewed periodically or as and when necessary. The NC will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

## **9.0 DISCLOSURE OF THIS POLICY**

This Policy will be published on the Company's website for public information.

## **10.0 APPROVAL**

This Policy was reviewed and approved by the Board on 27 May 2022.