



PJBUMI BERHAD

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DIRECTORS' FIT AND PROPER POLICY

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DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

PJBumi Berhad ("PJBUMI" or the "Company") has adopted the Directors' Fit and Proper Policy to ensure a formal, rigorous and transparent process for the appointment and re-election of directors and senior management of the Company and its subsidiaries.

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. OBJECTIVES

The objective of this Policy is to guide the Nomination & Remuneration Committee ("the NRC") and Board of Directors (the "Board") in their review and assessment of candidates to be appointed onto the Board as well as directors who are seeking for re-election in PJBumi Berhad and /or its subsidiaries in complying with the new Rule 15.01A of MMLR.

- 2.1. This Policy is to ensure that Directors must 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.
- 2.2. The fit and proper criteria will be applicable at the time of appointment as a Director and on a continuing basis as all Directors of PJBumi Berhad and/or its subsidiaries are expected to conduct themselves with highest integrity and professionalism as well as to comply with all relevant legal and regulatory obligations.
- 2.3. The general criteria that form the overarching criteria in relation to the Policy are outlined below:
 - a) Character and integrity;
 - b) Experience and competence; and
 - c) Time and commitment

3. FIT AND PROPER CRITERIA AND APPLICATION

The considerations underpinning the “fit and proper” criteria of Directors include but not limited to the following:

a) **Character and Integrity**

(i) Probity

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

(ii) Personal integrity, honesty and ethical behaviour

- have 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) have not been terminated in the past due to concerns on personal integrity.
- have no concurrent responsibilities or interest which would contribute to a conflict of interest situation or otherwise impair the ability to discharge duties and responsibilities as Director of the Company and/or its subsidiaries.
- have not abused other positions (i.e. that he has held) in a manner that contravenes principles of good governance and professional ethics.

(iii) Financial Integrity

- manage personal debts or financial affairs satisfactorily.
- demonstrate ability to fulfil personal financial obligations as and when they fall due.
- have not been subjected to a judgment debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.

(iv) Good Reputation

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

b) **Experience and competence**

(i) Qualifications, training and skills

- possess 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 business and workings of a corporation;
- possesses general management skills as well as understanding of corporate governance and sustainability issues;
- financial literacy especially able to read and understand financial statements;
- keep knowledge current based on continuous professional development.

(ii) Relevant experience and expertise

- possess 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 careers of occupying a high-level position in a comparable organization and were accountable for driving or leading the organization's governance, business performance or operations.

- Possess commendable past performance record as gathered from the results of the board effectiveness evaluation.

c) Time and commitment

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

- able to devote time as Board members, having factored other outside obligations including concurrent Board positions held by the Directors 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.

4. RESPONSIBILITIES OF THE BOARD AND NRC

- 4.1. The Board and NRC shall be directly responsible for conducting assessments on the fitness and propriety of directors and making decisions on their appointments.
- 4.2. Based on the high-level and baseline considerations outlined in Clause 3 above, the Board and NRC may discuss and determine prescriptions and specifications based on its specific circumstances, needs and requirements, such as specification on the minimum years of experience needed that a candidate must have at a senior level as a director, C-suite member, head of department to be considered for an appointment to the Board. These considerations should be periodically assessed and reviewed by the Board and NRC to ensure their relevance and alignment with the organization needs and structure.

5. ASSESSMENT OF A CANDIDATE FOR DIRECTORSHIP OR RE-APPOINTMENT OF DIRECTOR

- 5.1. 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.
- 5.2. The NRC will evaluate candidates for new appointment as Directors based on the fit and proper criteria as spelt out in Clause 3 above before recommending to the Board for approval.
- 5.3. For re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Form. The NRC has the power not to recommend to the Board the re-appointment of retiring Directors who do not meet the policy requirements.
- 5.4. For new appointments, the candidates are required to complete the Candidate for Directorship profile. The candidates will also be required to complete a self-declaration of fit and proper form and authorise the Company to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.
- 5.5. The information gathered from the assessments shall be for the NRC's strict use for the purpose of the assessment and not for public disclosure.

6. 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.

7. REVIEW

- 7.1. The NRC is responsible for regular reviews of the Policy and making any recommended changes as and when it deemed fit. The Policy shall be aligned to any legal or regulatory changes and the best practices under the MMLR and/or the Malaysian Code on Corporate Governance.
- 7.2. The changes to the terms of the Policy shall be subject to the approval of the Board.