



PIMPINAN EHSAN BERHAD
(201601021838) (1192777-W)
(Incorporated in Malaysia)

FIT AND PROPER POLICY

1.0 INTRODUCTION

Pimpinan Ehsan Berhad (“PEB” or the “Company”) has adopted the Fit And Proper Policy (“Policy”) to ensure a formal, rigorous and transparent process for the appointment and re-election of Directors, and the appointment of senior management of the Company and its subsidiaries.

2.0 OBJECTIVE

- 2.1 The objective of this Policy is to set out the criteria for potential candidates for appointment as Directors, re-election of Directors, and the appointment of senior management.
- 2.2 This Policy is to ensure that each of the Directors and senior management has the character, experience, knowledge, competencies, integrity, time and commitment that will allow them to perform the duties and carry out the responsibilities effectively in the best interest of the Company and its stakeholders.
- 2.3 The fit and proper criteria will be applicable at the time of appointment and on a continuing basis as all Directors and senior management of PEB 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.

3.0 FIT AND PROPER CRITERIA

3.1 In accessing if a candidate met the criteria under this Policy, the NC and the Board should consider factors which includes but are not limited to the following:

3.1.1 Character and Integrity

a). Probity

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

b). Financial integrity

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

c). Personal integrity, honesty and ethical behaviour

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

d). Reputation

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

3.1.2 Experience and competence

a). Qualifications, training and skills

- i. possess 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).
- ii. has a considerable understanding on the workings of a public listed company
- iii. possess general management skills as well as understanding of corporate governance, sustainability issues, as well as Environment, Social & Governance (ESG) issues.
- iv. keep knowledge current based on continuous professional development
- v. posses leadership capabilities and a high level of emotional intelligence

b). Relevant experience and expertise

- i. 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.

c). Relevant past performance or track record

- i. had careers and working experience in a high-level position in a comparable organisation and were accountable for driving or leading the organisation's governance, business performance or operations
- ii. possess commendable past performance record as gathered from the results of the board effectiveness evaluation

3.1.3 Time and commitment

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

- i. Able to devote time as board member, having factored other outside obligations including concurrent board positions held by the Directors across listed issuers and non-listed entities (including not-for-profit organisations)

b). Participation and contribution in the board or track record

- i. demonstrates willingness to participate actively in board activities
- ii. demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in event outside the boardroom
- iii. manifests passion in the vocation of a Director
- iv. exhibits ability to articulate views independently, objectively and constructively
- v. exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others

4.0 EVALUATION

- 4.1 The NC shall evaluate candidates for new appointment as Director and/or senior management, as well as the re-appointment of Directors based on the fit and proper criteria as spelt out in 3.0 above before recommending to the Board for approval.
- 4.2 For new appointments, the candidate is required to complete a self-declaration of fit and proper form and authorize the Company to perform background check, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.
- 4.3 The information gathered from the assessments shall be for the NC's strict use for the purpose of the assessment and not for public disclosure.

5.0 REVIEW OF THE POLICY

This Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary in accordance with the needs of the Company, the Main Market Listing Requirements (MMLR) and/or any other applicable laws enforced at the time being.

This Policy has been adopted by the Board on 20 June 2022.