



# MUAR BAN LEE GROUP BERHAD

Company No. 200601033829 (753588-P)  
(Incorporated in Malaysia)

## DIRECTORS' FIT AND PROPER POLICY

### 1. INTRODUCTION

Muar Ban Lee Group Berhad ("the Company") has adopted the Directors' Fit and Proper Policy ("Policy") to ensure a formal, rigorous and transparent process for the appointment, re-appointment and/or re-election of Directors and Senior Management of the Company and its subsidiaries ("the Group").

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. OBJECTIVE

This Policy serves as a guide:

- 2.1. to the Nomination Committee ("the NC"), and the Board of Directors ("Board") and Management of the Group in conducting their review and assessment on candidates to be appointed onto the Board and members of Key Senior Management as well as Directors who are seeking for re-appointment and/or re-election.
- 2.2. to ensure that all Directors of the Group possess the necessary character, integrity, experience, competence, and time to effectively discharge their role and responsibilities as a Directors of the Group to carry out in the best interest of the Group and its stakeholders.

### 3. FIT AND PROPER CRITERIA

In accessing the candidates identified to be appointed as Directors of the Group ("Candidates") and/or existing Directors of the Group seeking for re-appointment and/or re-election ("Existing Directors"), the NC and/or the Management shall consider factors which includes but not limited to the following:

#### 3.1. Character and Integrity

##### 3.1.1. Probity

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

### **3.1.2. 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 contract (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.

### **3.1.3. Financial integrity**

- Manages personal debts or financial affairs satisfactorily.
- Demonstrates ability to fulfil personal financial obligations as and when they fall due, either in Malaysia or elsewhere.

### **3.1.4. Reputation**

- Is of good repute in the financial and/or business community.
- Has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years, either in Malaysia or elsewhere.
- 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.

## **3.2. Experience and Competence**

### **3.2.1. 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's 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 management and leadership capabilities and a high level of emotional intelligence.

### **3.2.2. 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.

### **3.2.3. Relevant past performance or track record**

- 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.
- Possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation.

### **3.3. Time and Commitment**

#### **3.3.1. Ability to discharge role having regard to other commitments**

- Able to devote sufficient time as a Board member, having factored other external obligations including concurrent board positions held by the Director across listed companies and/or non-listed companies (including not-for-profit organisations).

#### **3.3.2. 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. FIT AND PROPER ASSESSMENT AND PROCEDURES**

- 4.1. The fit and proper assessments on any Candidates or on any Existing Directors shall be conducted prior to recommending to the Board for consideration and approval.
- 4.2. The assessment should take into consideration the suitability of Candidates against considerations such as competencies, commitment, contribution and performance, including the current composition of Board and Board committees (where applicable), mix of skills and experiences of Directors whilst taking into account the current and future needs of the Group, boardroom diversity (including gender diversity) and other soft attributes required as Directors. The assessment should be exercised objectively in the best interests of the Group.
- 4.3. The evaluation will be based on the fit and proper criteria set out in Clause 3 above. The criteria shall be assessed individually, as well as collectively, taking into account their relative importance. Failure to meet one criterion on its own does not necessarily mean failure to meet the fit and proper criteria. The Company will consider the specific circumstances surrounding a directors' failure to meet specific factors, such as the lapse of time since the occurrence of events, other contributing factors, and the significance of the event from the perspective of potential risks posed to the Group.
- 4.4. For re-appointment/re-election of Director at the Group and Company level, the Director will be evaluated based on the Board Evaluation Forms as assessed by the NC and/or the Board with satisfactory performance.
- 4.5. For new appointment of Director at the Group and Company level, the Candidates is required to provide a Directorship profile. The Candidates will also be required to complete a self-declaration of fit and proper form and if necessary, authorise the NC and/or the Board to perform background check.
- 4.6. Interaction with the Candidates and/or Existing Director may be held, if needed, before the NC and/or the Board approves the appointment of the new Director or recommends the re-appointment/re-election of the Existing Director.

4.7. All Candidates and/or Existing Directors are required to provide information that is true, accurate and complete for submission to the NC and/or the Board.

4.8. The Board will make its decision based on the provision of information as outlined within this Policy.

## **5. NON-DISCLOSURE OF SENSITIVE AND CONFIDENTIAL INFORMATION**

5.1. The Board will take all reasonable steps to ensure compliance with Personal Data Protection Act (“PDPA”) in collecting and using the information as part of the assessment process.

5.2. The information gathered from the assessments shall be strictly for use of the NC and the Board for the purpose of the assessment and not for public disclosure.

## **6. REVIEW OF THE POLICY**

The NC will review this Policy periodically to ensure that it continues to remain relevant, appropriate and consistent with the Group’s practices, Malaysian Code on Corporate Governance, MMLR or any other applicable regulatory requirements. Any revisions to this Policy as recommended by the NC will be submitted to the Board of the Company for consideration and approval.