

The logo for PANSAR features a blue curved line above the word "PANSAR" in a bold, blue, sans-serif font.

**PANSAR BERHAD**

197401002551 (18904-M)

## **FIT AND PROPER POLICY**

SOP Title	FIT AND PROPER POLICY
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Revision History				
Version	Date	Revised By	Section/Paragraph/ Appendix	Changes/Notes
1	27 JUNE 2022	Original	N/A	N/A

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### 1. OBJECTIVE

- 1.1 The key objective of the Fit and Proper Policy (“Policy”) is to guide the Nomination Committee (“NC”) and the Board of Directors (“Board”) to review and assess the potential candidates for the appointment as Directors of the Company as well as Directors who are seeking for re-election in Pansar Berhad and its subsidiaries.
- 1.2 This Policy is to ensure that Directors of the Company 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. SCOPE AND APPLICATION

- 2.1 In accessing if a candidate met the criteria under this Policy, the Board and NC should consider factors which includes but are not limited to the following:
- a) character and integrity;
  - b) experience and competence; and
  - c) time and commitment.

a) Character and Integrity

- (i) 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.
- (ii) 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.
- (iii) Financial integrity
  - manages personal debts or financial affairs satisfactorily.
  - demonstrates ability to fulfil personal financial obligations as and when they fall due.

### a) Character and Integrity (cont'd)

#### (iv) Reputation

- is of good repute in the financial and 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.
- 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.

### b) Experience and Competence

#### (i) 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 skill set matrix and strategic priorities of the Company).
- 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 leadership capabilities and a high level of emotional intelligence.

#### (ii) 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.

#### (iii) 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 (applicable for re-election and reappointment of directors).

### c) Time and Commitment

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

- 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).

#### (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.

c) Time and Commitment (cont'd)

(ii) Participation and contribution in the board or track record

- 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.

**3. PERIODICAL REVIEW OF THE POLICY**

- 3.1 The NC is responsible for regular review of the Policy and making any recommended changes as and when necessary.
- 3.2 All proposed amendments shall be submitted to the Board for approval in accordance with the needs of the Company