



**PERTAMA DIGITAL BERHAD**

Registration No. 198401002327 (114842-H)

**DIRECTORS' FIT AND PROPER POLICY**

## **1.0 INTRODUCTION**

Pertama Digital Berhad (“**PDB**” or “**Company**”) is committed to applying the Practice 5.5 of the Malaysian Code on Corporate Governance 2021 where the appointment of Directors of the Company and its subsidiary companies (collectively referred to as “**Director(s)**”) are to be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Directors appointed should be able to devote the required time to serve the board effectively. The board shall consider the existing board positions held by a director, including on the boards of its subsidiary companies. Any appointment that may cast doubt on the integrity and governance of the Company or its subsidiary companies should be avoided.

Directors are required to possess the competence, character, diligence, honesty, integrity and judgement to perform properly their duties, in tandem with good corporate governance practices. Accordingly, the Company must prudently manage the risk to its business or financial standing that the Directors are fit and proper.

The purpose of the Directors’ Fit and Proper Policy (“**Policy**”) is to set out the Company’s approach to the assessment of the fitness and propriety of persons who hold, or who are to be appointed or elected to Directors positions.

## **2.0 DEFINITIONS**

The following definitions shall apply throughout this Policy unless the context requires otherwise:

“Board”	:	Board of Directors of the Company
“Company” or “PDB ”	:	Pertama Digital Berhad
“Director(s)”	:	Directors of the Group (excluding the Directors appointed by other shareholders of the subsidiary companies)
“Group”	:	The Company and its subsidiary companies
“NC”	:	Nominating Committee of the Company

## **3.0 RESPONSIBILITY**

### **3.1 The Board’s Commitment and Responsibility**

In the application of this Policy, the Board and NC are primarily responsible for ensuring that all Directors fulfil the fit and proper requirements, and for conducting assessments of the fitness and propriety of Directors.

The Board is committed to ensuring that Directors have the appropriate skill and experience commensurate with the role that they hold, and will make all final determinations on the fitness and propriety of responsible persons.

### 3.2 NC Responsibility

The NC is responsible for the assessment of existing Directors or candidates for nomination or appointment as Directors, and making recommendations to the Board on these matters.

### 4.0 FIT AND PROPER CRITERIA

For the purpose of establishing whether a person is fit and proper to hold a Director position, the NC and the Board shall have regard to the person's:

- a) Character and integrity - person must have the personal qualities such as honesty, integrity, reputation diligence, independence of mind and fairness.
- b) Experience, competence and capability - person must have the necessary skills, experience, ability and commitment to carry out the role.
- c) Financial integrity - person must manage his debts or financial affairs prudently, able to meet his debts as and when they become due.
- d) Time management and commitment - person must have the time and commitment to attend to the Group's business.

These qualities are demonstrated over time and demand a disciplined and on-going commitment to high ethical standards. The Company will also look into the person's past behaviour as an insight into a person's future conduct. In the Company's assessment of a person's probity, reputation and integrity, the Company shall place emphasis on factors that are necessary and relevant to assess whether a person can hold a position of leadership in the Group.

The assessment of the above criteria shall have regard to the considerations set out below in paragraph 4.1 to 4.4 of this Policy.

### 4.1 Character and Integrity

In assessing a person's character and personal integrity, level of probity and reputation to hold a Director position, the NC and the Board should consider matters including, but not limited to the following:

Probity	<ul style="list-style-type: none"><li>• is compliant with legal obligations, regulatory requirements and professional standards</li><li>• has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court</li></ul>
Personal Integrity	<ul style="list-style-type: none"><li>• 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</li><li>• service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity</li><li>• 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</li></ul>

Reputation	<ul style="list-style-type: none"> <li>• is of good repute in the financial and business community</li> <li>• has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years</li> <li>• 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</li> </ul>
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#### 4.2 Experience, Competence and Capability

In assessing a person's experience, competency and capability to hold a Director position, the NC and the Board should consider matters including, but not limited to the following:

Qualifications, training and skills	<ul style="list-style-type: none"> <li>• 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)</li> <li>• has a considerable understanding on the workings of a corporation</li> <li>• possesses general management skills as well as understanding of corporate governance and sustainability issues</li> <li>• keeps knowledge current based on continuous professional development</li> <li>• possesses leadership capabilities and a high level of emotional intelligence</li> </ul>
Relevant experience and expertise	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Relevant past performance or track record	<ul style="list-style-type: none"> <li>• 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.</li> <li>• possesses commendable past performance record as gathered from the results of the board effectiveness evaluation</li> </ul>

#### 4.3 Financial Integrity

Financial integrity is demonstrated by a person who manages his own financial affairs properly and prudently.

In assessing a person's financial integrity, the NC and the Board must consider all relevant factors, including but not limited to the following:

- a) whether the person has been and will be able to fulfil his financial obligations, whether in Malaysia or elsewhere, as and when they fall due; and
- b) whether the person has been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.

The fact that a person may be of limited financial means does not in itself, affect the person's ability to satisfy the financial integrity criteria.

#### 4.4 Time Management and Commitment

In assessing the time and commitment which a Director can allocate to the Group, the NC and the Board should consider matters including, but not limited to the following:

Ability to discharge role having regard to other commitments	<ul style="list-style-type: none"><li>• 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).</li></ul>
Participation and contribution in the board or track record	<ul style="list-style-type: none"><li>• demonstrates willingness to participate actively in board activities</li><li>• demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom</li><li>• manifests passion in the vocation of a director</li><li>• exhibits ability to articulate views independently, objectively and constructively</li><li>• exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others</li></ul>

#### 5.0 PROCESS FOR ASSESSING FITNESS AND PROPRIETY

##### 5.1. Before Appointment / Re-Election

Assessment of a person's fitness and propriety must be made before a person is appointed to a Director position.

##### 5.2. Attestations and Verification

A person nominated for Director position must provide the Fit and Proper Attestation in Appendix A.

##### 5.3. Annual Declaration

On an annual basis, each Director will be required to declare that he or she remains a fit and proper person.

Where an existing Director no longer satisfies the fit and proper requirements, the Company or the Group must take all steps to remove that person from the Director position. A Director must be removed from office immediately he or she becomes disqualified from managing corporations under Section 198 of the Companies Act 2016.

#### 6.0 IMPLEMENTATION, REVISION AND UPDATES

This Policy is to be reviewed by the Board on an annual basis or as required. Any intervening changes or addition is to be approved by the Board.

This Policy was adopted on 30 June 2022.

**FIT AND PROPER ATTESTATION**

I attest that I have never:

1. failed to discharge my responsibilities as a director or manager of, or a professional service provider to, a body corporate, statutory body, partnership, trust, or commercial or professional enterprise of any kind (entity) with diligence, honesty, integrity or judgement;
2. been the subject of criticism, discipline, punishment, adverse findings, directions or orders, by a court, tribunal, official inquiry, regulatory agency, complaints handling body, dispute resolution body, or professional or industry body concerning my conduct in relation to the management of an entity; or commercial or professional activities;
3. been the subject of civil or criminal proceedings, or enforcement action, in relation to the management of an entity; or commercial or professional activities;
4. been expelled or excluded from, or refused admission to, a professional or industry body, or a clearing house or exchange;
5. been involved with the affairs of an entity that was expelled or excluded from, or refused admission to, a professional or industry body, or a clearing house or exchange;
6. been refused a licence or authorisation relating to a commercial or professional activity, or had such a licence or authorisation revoked;
7. been involved with the affairs of an entity that was refused a licence or authorisation relating to a commercial or professional activity, or had such a licence or authorisation revoked;
8. had my appointment terminated, or resigned or been asked to resign, from a position as director or manager of, or professional service provider to, an entity in circumstances which reflected adversely on my competence, character, diligence, honesty, integrity or judgement in discharging my responsibilities in the position;
9. seriously or persistently failed to manage my debts or financial affairs in accordance with contractual or other legal obligations in circumstances where such failure caused loss to others;
10. been in any rescheduling and restructuring arrangement / programme with any financial institutions on any form of loan, financing or credit card debts;
11. been in any voluntary arrangement under the Insolvency Act 1967;
12. been, or acted as, a director or manager of, or professional advisor to, an entity that:
  - a) was, or later came to be, insolvent;
  - b) was, or later came to be, under insolvency administration;
  - c) was, or later came to be, under corporate voluntary arrangement or judicial management;
  - d) failed to repay, or otherwise failed to meet its financial obligations to, creditors or beneficiaries; or
  - e) engaged in unreasonable or unlawful conduct that caused or contributed to the insolvency, placement under insolvency administration or statutory or judicial management, or failure to repay or otherwise meet obligations to creditors or beneficiaries;
13. contravened any regulatory requirement or professional standard relating to the management of an entity; or commercial or professional activities;
14. been unreasonably or improperly obstructive of, or misleading or untruthful in dealing with, a court, tribunal, official inquiry, regulator, complaints handling body, dispute resolution body, or professional or industry body; or

15. breached a fiduciary obligation or other legal or professional obligation involving trust or conflict of interest or perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices.

I consent to the Company and each of its controlled entities collecting and using sensitive information about me to fulfil its obligations to assess and monitor my fitness and propriety as a Director, as required under the Directors' Fit and Proper Policy.

Name : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

**FIT AND PROPER ATTESTATION (continuation)**

I have the following qualifications to make in relation to my attestation above:

Comments:

I have considered my other commitments and have determined that I have sufficient time available to me to fulfil my responsibilities to the Group.

My existing commitments and approximate time required to fulfil these commitments are: