



**PUC BERHAD**

Registration No. 199701036234(451734-A)

**DIRECTORS' FIT AND PROPER POLICY**

**Approved on 15 June 2022**

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## **DIRECTORS' FIT AND PROPER POLICY**

### **A. INTRODUCTION AND PURPOSE**

This Directors' Fit and Proper Policy ("**Policy**") of PUC Berhad ("**Company**") set out the fit and proper criteria for the appointment and re-election of the Board of Directors of the Company ("**Board**") and its subsidiaries.

The purpose of the Policy is to enhance the governance of the Company pertaining to the Board's quality and integrity, as well as to ensure the Directors have the character, experience, integrity, competence, time and commitment to effectively discharge their role as Directors.

The Policy serves to guide the Nomination Committee ("**NC**") and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as the Directors who are seeking for re-election.

### **B. CRITERIA**

The fit and proper criteria of a Director shall include but not limited to the following:

#### **1. 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 of law;
- has not been convicted for any offences within the past five (5) years other than traffic offences (if any);
- has not been subject to public sanctions or penalties imposed by the relevant regulatory bodies; and
- has not been disqualified from being a Director under Sections 198 or 199 of the Companies Act 2016.

##### **(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/her 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; and
- honest and act in good faith.

**(iii) Financial integrity**

- manages personal debts or financial affairs satisfactorily; and
- demonstrates ability to fulfil personal financial obligations as and when they fall due.

**(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; and
- 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.

**2. Experience and Competence**

**(i) Qualifications, training and skills**

- has the appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position;
- has a considerable understanding on the industry 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; and
- possesses leadership capabilities.

**(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; and
- possesses commendable performance record as gathered from the results of the board effectiveness evaluation.

**3. 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 companies and non-listed companies (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;
- manifests passion in the vocation of a director;
- exhibits ability to articulate views independently, objectively and constructively; and
- exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

**C. THE ASSESSMENT**

The NC will assess each person for a new appointment or re-election of Directors based on the criteria set out in Clause B before recommending to the Board for approval. The Board Evaluation Form is set out in **Annexure I**.

The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

**D. REVIEW OF THE POLICY**

The Policy shall be reviewed periodically or as and when required, especially when there are changes to the Malaysian Code on Corporate Governance, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant regulatory requirements. All changes to the Policy shall be subject to the approval of the Board.

**E.** The Policy should make available on the Company's website.

**F.** The Policy was approved and adopted by the Board on 15 June 2022.

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