



**FRONTKEN CORPORATION BERHAD**  
(651020-T)

(Incorporated in Malaysia under the Companies Act 2016)

## **FIT AND PROPER POLICY**

**Reviewed and approved on 27 March 2024**

**FRONTKEN CORPORATION BERHAD AND ITS SUBSIDIARIES**  
**FIT AND PROPER POLICY**

**1. Introduction**

The Board of Directors (the “Board”) of Frontken Corporation Berhad (the “Company”) believes that it is in the best interest of the Company, its subsidiaries and its stakeholders that its Directors and members of its Key Senior Management has the time coupled with the required character, experience, integrity and competence to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Company and its subsidiaries (the “Group”).

**2. Objective**

This Policy sets out the fit and proper criteria for the appointment of Director or Key Senior Management of the Group and re-appointment of Directors on the Boards of the Group to ensure that each of the Directors and Key Senior Managements has the time, character, experience, integrity and competence to effectively discharge his/her role.

**3. Scope**

The scope of the Fit and Proper Policy applies to the existing Directors of the Group seeking for re-appointment or candidates for nomination or appointment as a Director or member of the Key Senior Management of the Company and the subsidiaries.

**4. Roles and Responsibilities**

**The Board**

The Board is primarily responsible for ensuring that all existing Directors of the Group seeking for re-appointment or candidates for nomination or appointment as a Director or member of the Key Senior Management of the Group are fit and proper and have the necessary character, experience, integrity, competence and time to effectively discharge his/her role. The Board will continuously seek to achieve and maintain diversity and inclusivity at both the Board and senior management levels.

**Nomination Committee**

The Board delegates the duty to perform fit and proper assessment on existing Directors of the Group seeking for re-appointment or candidates for nomination or appointment as a Director or member of the Key Senior Management of the Group to the Nomination Committee (the “NC”) based on the fit and proper criteria as tabulated in Section 5 – Fit and Proper Criteria, and making recommendations to the Board on these matters for its review and decision.

**Company Secretary**

The NC is assisted by the Company Secretary for the following duties:

- To minute the review, deliberation, results and recommendation of the NC on fit and proper assessment of the existing Director or the candidate, as applicable, during the meeting of the NC;

- To minute the review and deliberation of results of fit and proper assessment of the existing Director or the candidate, as applicable, and recommendation by the NC during the meeting of the NC and the Board's decision on the appointment and re-appointment;
- To prepare and ensure the completeness of all statutory documentations in relation to the appointment and re-appointment of Director;
- To make required disclosure, statutory lodgement and announcement under relevant laws and regulations, subject to the authorisation from the Board or authorised officer by the Board;
- To safe keep all the above documentations for the longest period required under relevant laws and regulations and made available for inspection by the Board, any person authorised by the Board, relevant regulatory bodies or under other statutory requirements; and
- To provide information and guidance to the NC and the Board on matters concerning the procedure for fit and proper assessments.

## **5. Fit and Proper Criteria**

For the purpose of establishing whether a person is fit and proper to act as a Director or member of the Key Senior Management of the Group, the NC and the Board shall have regard to the person's:

### **5.1 Character and Integrity**

#### **(i) Probity**

- is compliant with legal obligations, regulatory requirements and professional standards; and
- has not been obstructive, misleading or untruthful in dealings with auditors, regulatory authorities 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/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; and
- has not contravened any requirements imposed by authorities or bodies, whether in Malaysia or elsewhere or failed to uphold any professional or ethical standards issued, or has abetted another person to breach such requirements, professional or ethical standards.

#### **(iii) Financial integrity**

- demonstrates prudent management of personal financial affairs including managing debts satisfactorily; and
- demonstrates ability to fulfil personal financial obligations as and when they fall due.

#### **(iv) Reputation**

- is of good repute in the corporate and business community;
- has not been found to be liable or guilty of civil or criminal proceedings or enforcement action, in managing or governing an entity; and
- has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned by deficiencies in that management.

### **5.2 Experience and competence**

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

- possesses the appropriate educational qualification, experience and expertise that is relevant to effectively fulfil the role and responsibilities of their respective positions;
- has a considerable understanding on the business and workings of a corporation;
- possesses general management skills as well as understanding of environmental, social and corporate governance issues; and
- keeps knowledge current based on continuous professional development.

#### **(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.

### **5.3 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 other 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;
- 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.

#### **5.4 Diversity and Inclusivity**

When assessing the Board and its committee composition or identifying suitable candidates for appointment or re-election to the Board, the Board will not only consider merit within the objective criteria and the core competencies including expertise, experience, and leadership competencies of candidates but also the manner in which candidates can enhance and complement the collective diversity and inclusivity of the existing Board and the senior management team.

#### **6. Hard tenure limit of twelve years for Independent Directors**

There is a term limit on an independent director's appointment, as follows: 12-year term limit: An independent director has a 12-year term limit to their appointment, beyond which such independent directors will no longer be considered independent.

#### **7. Review and revision of Policy**

This Policy which is approved by the Board shall be reviewed from time to time, as and when required or necessary, taking into consideration changes in the laws and regulatory requirements and any improvement opportunities noted from assurance providers.