

## **1. Introduction**

- 1.1 In championing for qualified appointments at the leadership level, the Board of Directors (“the Board”) of PeterLabs Holdings Berhad (“PLabs” or the “Company”) shall formalise and internalise clear parameters on the selection process of directors and senior management personnel. The Board shall demonstrate a clear commitment to developing a corporate culture that thrives on objectivity, transparency, meritocracy and diversity.

## **2. Purpose**

- 2.1 The Directors' Fit and Proper Policy (“Policy”) is formulated pursuant to the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad and is approved by the Board.
- 2.2 The Policy shall serve 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 Directors who are seeking for re-election.

## **3. Directors' Fit and Proper Criteria**

- 3.1 Firstly, any person to be appointed as a Director or to continue holding the position as a Director within the Group must not be disqualified or deemed to be disqualified or vacated his office under the Companies Act 2016, AMLR and/or others relevant rules and regulations.
- 3.2 In assessing a person's fitness and propriety, the Board through its NC, shall consider all relevant factors based on the following overarching criteria:
- 3.2.1 Character and integrity
- i) Probity
- He is compliant with legal obligations, regulatory requirements and professional standards, where applicable.
  - He has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.
- ii) Personal integrity
- He 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.
  - His service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity.
  - He 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

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

iv) Reputation

- He is of good repute in the financial and business community.
- He has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past ten (10) years.
- He 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.

3.2.2 Experience and competence

i) Qualifications, training and skills

- He 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).
- He has a considerable understanding on the workings of a corporation.
- He possesses general management skills as well as understanding of corporate governance and sustainability issues;
- He keeps knowledge current based on continuous professional development.
- He possesses leadership capabilities and a high level of emotional intelligence.

ii) Relevant experience and expertise

- He 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

- He 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.

- He possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

### 3.2.3 Time and commitment

#### iv) Ability to discharge role having regard to other commitments

- He is 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).

#### v) Participation and contribution in the Board or track record

- demonstrates willingness to participate actively in board activities;
- He demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- He manifests passion in the vocation of a director;
- He exhibits ability to articulate views independently, objectively and constructively;
- He exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

3.3 A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director within the Group shall be required to make the fit and proper declaration in the form as set out in appendix I of this Policy or in such form as the NC may from time to time prescribed or approve.

**DIRECTORS' DECLARATION OF FIT AND PROPER**

I, (name)..... (NRIC No. /  
 Passport No. ....) do hereby solemnly affirm and declare the  
 following:

No.	Criteria	YES	NO
<b>Probity, Personal Integrity and Reputation</b>			
1.	Whether you are or have been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings		
2.	Whether you have contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice.		
3.	Whether you have contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies.		
4.	Whether you or any business in which you have a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately.		
5.	Whether you have been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on your professional conduct.		
6.	Whether you have been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about your honesty and integrity.		
7.	Whether you have been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a licence to conduct any trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated.		
8.	Whether you have held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while you were connected with that business.		
9.	Whether you have been a director of, or directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia, or of any licensed institution, the licence of which has been revoked under any written law.		

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No.	Criteria	YES	NO
10.	Whether, in the past, you have acted unfairly or dishonestly in his dealings with his customers, employer, auditors and regulatory authorities.		
11.	Whether you have at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations.		
12.	Whether you have contributed significantly to the failure of an organisation or a business unit.		
13.	Whether you have at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices.		
14.	Whether you are free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a key responsible person which would be disadvantageous to PLabs or PLabs's interest.		
<b>Financial Integrity</b>			
15.	Whether you have been and will be able to fulfil his financial obligations, whether in Malaysia or elsewhere, as and when they fall due.		
16.	Whether you have been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.		
17.	Whether you have been made arrangements with creditors, filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction.		

\* Where you have not ticked 'YES', please explain and/or provide the relevant documents.

<b>Explanation for items not ticked 'YES'</b>	
No.	Explanation

.....  
 (Signature)

Name:

Date: