



**PRG**  
HOLDINGS BERHAD

**PRG Group of Companies  
(PRG Holdings Berhad)**

**DIRECTORS' FIT AND PROPER POLICY**

Rev: 00  
Effective date: 28<sup>th</sup> June 2022

## **Table of Contents**

<b>1. INTRODUCTION</b> .....	1
<b>2. APPLICATION OF THE POLICY</b> .....	1
<b>3. OBJECTIVES</b> .....	1
<b>4. DIRECTORS' FIT AND PROPER POLICY</b> .....	1
<b>5. DISQUALIFICATION OR VACATION OF OFFICE</b> .....	4
<b>6. BOARD COMPOSITION</b> .....	4
<b>7. MONITORING AND REPORTING</b> .....	5
<b>8. REVIEW OF THE POLICY</b> .....	5
<b>9. PUBLICATION OF THE POLICY</b> .....	5

### **APPENDIX**

## **1. INTRODUCTION**

The Directors' Fit and Proper Policy ("Policy") details the criteria for selection and assessment of potential candidates for appointment to the Board of Directors of PRG Holdings Berhad ("Company" or "PRG") ("Board") and its subsidiaries ("PRG Group").

## **2. APPLICATION OF THE POLICY**

This Policy is applicable to the individuals to be considered for the position of Director on the Board of the Company and/or its subsidiaries, and the continuing Directors of the Company seeking for re-election. This Policy is to be practiced in conjunction with the Diversity and Inclusion Policy of the Company.

## **3. OBJECTIVES**

The objectives of this Policy are to:

- lay down fit and proper criteria and lay down the process of due diligence to determine the suitability of a person for the appointment/ continuing to hold the position as a Director on the Board of the Company;
- frame fit and proper standards and measures for Directors and lay down the internal procedures for the implementation to continue of the said standards and measures; and
- ensure that each director to be appointed or already appointed understands the Policy and their obligation to continue to meet the fit and proper requirements on an on-going basis.

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

- 4.1. All members of the Board are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.
- 4.2. The fit and proper assessment on any person identified to be appointed as a Director of PRG and/or its subsidiary or to continue holding the position as a Director within PRG Group shall be conducted prior to the appointment or proposed re-election/ re-appointment as a Director. The fit and proper assessment on a Director may also be conducted whenever PRG becomes aware of information that may materially compromise a Directors' fitness and propriety.

The Nomination Committee and the Board, in conducting the above fit and proper assessment, shall be guided by this Policy.

In assessing a person's fitness and propriety, the Board through the Nomination Committee, shall consider all relevant factors based on the following criteria: -

- (a) Character and Integrity;
- (b) Experience and Competency; and
- (c) Time and Commitment.

4.3. The Nomination Committee shall determine the specific factors for its consideration when performing the fit and proper assessment, having regard to the circumstances and requirements relevant to PRG Group.

4.4. Amongst the key factors that underpin the above overarching criteria are as outlined below, which would be assessed by the Nomination Committee taking into account their relative importance.

(a) Character and Integrity

(i)	<b>Probity</b>	<ul style="list-style-type: none"> <li>• <i>Compliant with the legal obligations, regulatory requirements and professional standards, where applicable;</i></li> <li>• <i>Has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.</i></li> </ul>
(ii)	<b>Personal Integrity</b>	<ul style="list-style-type: none"> <li>• <i>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;</i></li> <li>• <i>His/her service contract had not been terminated in the past due to concerns on his/her personal integrity;</i></li> <li>• <i>Has not abused other positions in a manner that contravenes the principles of good governance.</i></li> </ul>

(b) Experience and Competency

(i)	<b>Qualifications, training and skills</b>	<ul style="list-style-type: none"> <li>• <i>Possesses education qualification that is relevant to the skill set that such director is earmarked to bring or to bear onto the boardroom;</i></li> </ul>
-----	--------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

		<ul style="list-style-type: none"> <li>• <i>Has a considerable understanding on the workings of a corporation;</i></li> <li>• <i>Possesses general management skills as well as understanding of corporate governance, and appreciation of sustainability issues;</i></li> <li>• <i>Possesses knowledge current based on continuous professional development;</i></li> <li>• <i>Possesses leadership capabilities and a high level of emotional intelligence.</i></li> </ul>
(ii)	<b>Relevant experience and expertise</b>	<ul style="list-style-type: none"> <li>• <i>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</i></li> </ul>
(iii)	<b>Relevant past performance or track record</b>	<ul style="list-style-type: none"> <li>• <i>had a career of occupying a senior level position in a relevant organization, and was accountable for driving or leading the organisation's governance, business performance or operations;</i></li> <li>• <i>possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.</i></li> </ul>

(c) Time and Commitment

(i)	<b>Ability to discharge role having regard to other commitments</b>	<ul style="list-style-type: none"> <li>• <i>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 non-profit organisations.)</i></li> </ul>
(ii)	<b>Participation and contribution in the Board or track record</b>	<ul style="list-style-type: none"> <li>• <i>Demonstrates willingness to participate actively in Board activities;</i></li> <li>• <i>Demonstrates willingness to devote time and effort to understand the business and exemplifies readiness to participate in events outside the Boardroom;</i></li> <li>• <i>Manifests passion in the vocation of a director;</i></li> <li>• <i>Exhibits ability to articulate view independently, objectively and constructively;</i></li> <li>• <i>Exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.</i></li> </ul>

- 4.5. A person who has been identified for appointment as a Director or for re-appointment/ re-election as a Director within PRG Group shall be required to make the fit and proper declaration in the form as set out in the Appendix or in such other forms as the Nomination Committee may from time to time prescribe or approve.

## **5. DISQUALIFICATION OR VACATION OF OFFICE**

- 5.1. The Director office shall become vacant if the Director:

- (a) become disqualified from being a Director under Sections 198 or 199 of the Companies Act;
- (b) ceases to be or is prohibited from being a Director by virtue of any of the provisions of the Companies Act or the Bursa Malaysia Securities Berhad's Main Market Listing Requirement (MMLR) or becomes prohibited by law from being a director;
- (c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (d) dies;
- (e) resign his office by notice in writing to the Company and deposited at the registered office of PRG;
- (f) is removed from his office as Director of the Company in a meeting of shareholders of which special notice has been given; or
- (g) retired in accordance with the Constitution and is not re-elected.

- 5.2. A Director will also vacate office should he be absent from more than 50% of the total Board of Directors' meetings held during a financial year.

## **6. BOARD COMPOSITION**

The appointment of Directors who are able to make positive contributions, is one of the key elements of board effectiveness. Directors will make better decisions and maximise the opportunities for the Company's success in the longer term if the right skill sets are present in the boardroom. As such, the following important factors have been identified to achieve optimisation of the board composition:

- (a) Appropriate range and balance of skills, experience, knowledge and independence of directors;
- (b) The right balance between query and teamwork, and fresh input of new ideas and critical thinking, while maintaining a cohesive Board;

- (c) Diversity of personal attributes among Board members, including intellect and judgement, courage, openness, honesty and tact, ability to listen, forge relationships and develop trust. Diversity of background and gender is important to ensure that the Board is not composed solely of like-minded individuals;
- (d) Regular review on the skills required, identify the gaps, develop transparent appointment criteria.

## **7. MONITORING AND REPORTING**

The Board will disclose the policy on board composition annually in the Annual Report of the Company having regard to the competencies and effectiveness of the Board, amongst others, and provide, in the Annual Report, a statement about the activities of the Nominating Committee in the discharge of its duties including the application of this Policy in the nomination and appointment of the Directors,

## **8. REVIEW OF THE POLICY**

The Committee will regularly review the Policy, as appropriate and make any changes it determines necessary or desirable. The Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

## **9. PUBLICATION OF THE POLICY**

This Policy will be posted on PRG Holdings Berhad's website at [www.prg.com.my](http://www.prg.com.my).

**DIRECTORS' FIT AND PROPER DECLARATION FORM**

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

**NRIC/ Passport No.:** \_\_\_\_\_

<b>No.</b>	<b>Question</b>	<b>YES</b>	<b>NO</b>
1	Have you ever been convicted by a court of law, whether in Malaysia or elsewhere, in connection with the promotion, formation or management of a company?		
2	Have you ever been convicted by a court of law, whether in Malaysia or elsewhere, involving fraud or dishonesty or where the conviction involved a finding that you acted fraudulently or dishonestly?		
3	Have you ever been convicted by a court of law, whether in Malaysia or elsewhere, under the securities laws or the Companies Act 2016?		
4	Have you been declared bankrupt or insolvent, whether in Malaysia or elsewhere, or do you have any arrangement or undertaking with creditors for settlement of debt?		
5	Have you or any business which you have a controlling interest or exercise significant influence, been investigated, disciplined, suspended, or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately?		
6	Have you 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?		
7	Have you been dismissed, asked to resign or have resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions on your honesty or integrity?		
8	Have you been an 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?		
9	Have you 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?		
10	Have you been a director of, or have been 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;		



11	Have you acted unfairly or dishonestly in your dealings with your customers, employer, auditors and regulatory authorities?		
12	Have you 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?		
13	Have you been contributed significantly to the failure of an organisation or a business unit?		
14	Have you at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices?		
15	Are you free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of my judgement when acting in the capacity of a Director of PRG and/or PRG Group which would be disadvantageous to PRG or PRG's interest?		

\* For item 1 - 14, where you have ticked "YES", please explain and/ or provide the relevant documents.

Explanation for items ticked "YES"	
No.	Explanation

**Declaration:**

I have read the Fit and Proper Criteria mentioned above and in submitting this form; I declare that all information given in this application and in the attached annexes (if any) is true and correct and that I have not wilfully suppressed any material fact. I understand that any false declaration or misrepresentation may result in the rejection of the application and/ or claims.

Submitted by:

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

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

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