

Directors' Fit and Proper Policy



OBJECTIVE AND SCOPE

This Fit and Proper Policy ("Policy") is designed to:-

Establish a set of formal and transparent fit and proper criteria for appointment and re-appointment of Directors to the Board of Directors ("Board") of PGF Capital Berhad (formerly known as Poly Glass Fibre (M) Bhd) and its subsidiaries ("Group").

To guide the Board and the Nomination Committee ("NC") in the assessment and evaluation of:-

- a. any candidate to be appointed as a new Director to the Board; and
- b. any existing Director who is seeking for re-appointment.

FIT AND PROPER CRITERIA

The following are the fit and proper criteria of a Director:-

1. Character and integrity

1.1 Probity

- The Director is compliant with legal obligations, regulatory requirements and professional standards.
- The Director has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

1.2 Personal integrity

- The Director 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 or her professional conduct.
- The past service contract(s) of the Director in the capacity of management or Director had not been terminated due to concerns on personal integrity.
- The Director has not abused other positions (i.e:- political appointment) to facilitate government relations for the Group in a manner that contravenes the principles of good governance.

1.3 Financial integrity

- The Director manages personal debts or financial affairs satisfactorily.
- The Director demonstrates ability to fulfill personal obligations as and when they fall due.

1.4 Reputation

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

2.1 Qualifications, training and skills

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

2.2 Relevant experience and expertise

- The Director 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.

2.3 Relevant past performance or track record

- The Director had a career of occupying a high-level position in a comparable organization, and was accountable for driving or leading the organization's governance, business performance or operations.
- The Director possesses commendable performance record as gathered from the results of the board effectiveness evaluation.

3. Time and Commitment

3.1 Ability to discharge role having regard to other commitments

- The Director is able to devote time as a Board member, having factored other outside obligations including concurrent Board positions held by the Director across public listed companies and non-listed companies (including non-profit organisations).

3.2 Participation and contribution in the Board or track record

- The Director demonstrates willingness to participate actively in Board activities.
- The Director demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the Boardroom.
- The Director manifests passion in the vocation of a Director.
- The Director exhibits ability to articulate views independently, objectivity and constructively.
- The Director exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. Independence (*applicable to appointment and re-appointment of Independent Director*)

The Director meets the criteria of an Independent Director as specified in the “**Objective & Scope**” of Practice Note 13 of Main Market Listing Requirements of Bursa Securities Malaysia Berhad.

ASSESSMENT AND EVALUATION

5. Appointment of new Director

- 5.1 The candidate is required to provide personal details together with education background, work experience, directorships in other public listed companies, the potential conflict of interest with the Group, and additional relevant information.

- 5.2 The candidate is required to complete the Directors' Evaluation Form.
- 5.3 For the appointment of Independent Director, the candidate is also required to complete the Independent Directors' Self-Assessment Form.
- 5.4 The NC will, based on Items 5.1, 5.2 and 5.3 above, assess and evaluate individually and collectively whether the candidate fulfills as stated in "**Fit and Proper Criteria**" of this Policy.
- 5.5 If the assessment and evaluation result is satisfactory, the NC will recommend the candidate's appointment as a new Director of the Group to the Board for deliberation and approval.

6. Re-appointment of Director

- 6.1 A Director seeking for re-appointment is required to complete the Directors' Evaluation Form.
- 6.2 For re-appointment of Independent Director, the Director is also required to complete the Independent Directors' Self-Assessment Form.
- 6.3 The NC will, based on Items 6.1 and 6.2 above, assess and evaluate individually and collectively whether the Director fulfills as stated in "**Fit and Proper Criteria**" of this Policy.
- 6.4 If the assessment and evaluation result is satisfactory, the NC will recommend the re-appointment of the Director to the Board for deliberation and approval

REVIEW AND APPROVAL

The NC will review this Policy and recommend it to the Board for approval as and when necessary. The terms of this Policy shall be updated whenever there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad, and any other relevant regulatory requirements.

This Policy was approved by the Board of Directors on 20 June 2022