



PROGRESSIVE IMPACT CORPORATION BERHAD DIRECTORS' FIT AND PROPER POLICY

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REVISION HISTORY

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1. INTRODUCTION

- 1.1 Progressive Impact Corporation Berhad (“PICORP” or “the Company”) and its group of subsidiaries (collectively, “PICORP Group”) embraces the core value of the Group, i.e. “Serving Allah, Respect for the People and Environment”. Based on this value, the Board’s fundamental approach is to ensure good governance is practiced in all its business dealings with the stakeholders. With this value, the Board upholds the highest degree of good corporate governance in professionally discharging its fiduciary duties and responsibilities. This includes the adoption of the Directors’ Fit and Proper Policy to ensure a formal, rigorous and transparent process for the appointment and re-election of Directors of PICORP Group.
- 1.2 This Policy will be applicable at the time of appointment as a Director and on a continuing basis as all Directors of PICORP Group are expected to conduct themselves with highest integrity and professionalism as well as to comply with all relevant legal and regulatory obligations.
- 1.3 In formulating this Policy, the Company is obliged to comply with the requirements contained in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and other applicable rules and regulations to ensure compliance with the obligations imposed.

2. OBJECTIVE

- 2.1 This Policy is designed to provide guidance and clarity for the Nomination Committee (“NC”) and the Board of Directors in their review and assessment for the appointment of new Directors as well as Directors who are seeking re-election.
- 2.2 This Policy would ensure that each of the Directors possesses the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to effectively discharge his/her roles in the best interest of the Group and its stakeholders.

3. CRITERIA

The assessment procedures shall be in a form of due diligence taking into account the following fit and proper criteria conducted by the NC and declarations by each individual candidate or Director:-

3.1 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.

(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 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.

(iii) Financial integrity

- manages personal debts or financial affairs satisfactorily and has a good financial standing based on report from a credit rating agency.
- 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.
- has not been substantially involved in the management of a business or company which has failed (including a GN3 or PN17 company), where that failure has been occasioned in part by deficiencies in that management.

3.2 Experience and Competence

(i) Qualifications, training and skills

- possesses education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the boardroom (ie. a match to the board skill set matrix).
- has a considerable understanding on the business and workings of a corporation.
- possesses general management skills of at least 5 years as well as understanding of corporate governance and sustainability issues.
- keeps knowledge current based on continuous professional development.
- possesses leadership capabilities and a high level of emotional intelligence.

(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 a senior management or high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations.
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation or based on the financial and non-financial performance of the corporation where the person identified for appointment as a director was involved.

3.3 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 issuers (taking into consideration his board attendance records) and non-listed entities (including not-for-profit organisations).

(ii) Participation and contribution in the board or track record (applicable for re-election of existing Directors only)

- 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.
- exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. ASSESSMENT

- 4.1 The NC will be responsible for conducting assessments on candidates for new appointment as Directors based on the fit and proper criteria as set out in 3.0 above, before recommending to the Board for approval.
- 4.2 For re-election of Directors, the Directors will be evaluated based on the Board Evaluation Form.
- 4.3 The NC and the Board should exercise the assessments objectively in the best interests and the sound conduct of PICORP Group's businesses.
- 4.4 The information gathered from the assessments of Directors shall be for the NC's strict use for the purpose of the assessment only and not for public disclosure.

5. REVIEW OF THE POLICY

The NC is responsible to ensure that the Policy is periodically reviewed and updated in accordance with the needs of the Company. It shall also be aligned to the Malaysian Code on Corporate Governance, MMLR and/or any other regulatory requirements.

This Directors' Fit and Proper Policy shall be available on the Company's website at www.picorp.com.my.

Adopted by the Board on: **31 May 2022**