

EPB GROUP BHD Registration No.: 202201007128 (1452825-U)	DOC. NO.	EPBG-POL-MO-18
	REV. NO.	0
DOCUMENT: DIRECTORS' FIT AND PROPER POLICY	EFF. DATE	12 JAN 2023

1.0 INTRODUCTION

This Director's Fit and Proper Policy sets out the approach for the appointment and re-election of Directors for EPB Group Bhd ("**Company**") and its subsidiary companies ("**Group**").

2.0 PURPOSE

- a) The purpose of this Policy is set out the policy statements by the Board of Directors of the Company ("**Board**") in relation to the review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election in the Group and to provide guidance to the Nomination & Remuneration Committee ("**NRC**") of the Company in carrying out the review and assessment relating appointment and re-appointment of Directors of the Group.
- b) This Policy sets out the criteria on the appointment and re-appointment of Directors of the Group focusing on (i) character and integrity, (ii) experience and competence and (iii) time and commitment, to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.
- c) The fit and proper criteria will be applicable at the time of appointment as a Director and on a continuing basis as all Directors of the Group are expected to conduct themselves with highest integrity and professionalism as well as to comply with all relevant legal and regulatory obligations.

3.0 FIT AND PROPER CRITERIA

3.1 Composition

The considerations underpinning the "fit and proper" criteria for the appointment and re-election of Directors are as follows:

3.1.1 Character and Integrity

- a) Probity
 - (i) is compliant with legal obligations, regulatory requirements and professional standards;
 - (ii) has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court; and
 - (iii) has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect to the person's honesty, integrity or business conduct.
- b) Financial soundness and solvency
 - (i) manages personal debts or financial affairs satisfactorily;
 - (ii) demonstrates ability to fulfil personal financial obligations as and when they fall due; and
 - (iii) has not been subjected to a judgment debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.

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- c) Personal integrity, honesty and ethical behaviour
 - (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;
 - (ii) his/her service contracts (i.e. in the capacity of management or Director) have not been terminated in the past due to concerns on personal integrity;
 - (iii) has no concurrent responsibilities or interest which would contribute to a conflict-of-interest situation or otherwise impair the ability to discharge duties and responsibilities as Director of the Company and/or its subsidiaries; and
 - (iv) has not abused other positions (i.e. that he/she has held) in a manner that contravenes principles of good governance and professional ethics.

- d) Good reputation
 - (i) is of good repute in the financial and business community;
 - (ii) has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
 - (iii) has not been reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Suruhanjaya Syarikat Malaysia, Bank Negara Malaysia or any other regulatory authorities both local or abroad; and
 - (iv) 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.

3.1.2 Experience and Competence

- a) Qualifications, training and skills
 - (i) 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);
 - (ii) has a considerable understanding on the business and workings of a corporation;
 - (iii) has understanding of sustainability issues including Environment, Social & Governance (ESG) issues;
 - (iv) possesses general management skills as well as understanding of good corporate governance best practices;
 - (v) has financial literacy skills especially able to read and understand financial statements; and
 - (vi) keeps knowledge current based on continuous professional development.

- b) 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.

- c) Relevant past performance or track record
 - (i) has a career of occupying a high-level position in a comparable organization and were accountable for driving or leading the organization's governance, business performance or operations; and
 - (ii) possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

3.1.3 Time and commitment

- a) Ability to discharge role having regard to other commitments

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able to devote time as Board members, having factored other outside obligations including concurrent Board positions held by the Directors across listed issuers and non-listed entities (including not-for-profit organizations).

- b) Participation and contribution in the Board or track record
 - (i) demonstrates willingness to participate actively in Board activities;
 - (ii) demonstrates willingness to devote time and effort to understand the businesses and exemplify readiness to participate in events outside the boardroom;
 - (iii) manifests passion in the vocation of a Director.
 - (iv) exhibits ability to articulate views independently, objectively and constructively; and
 - (v) exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of other.

4.0 EVALUATION OF A CANDIDATE FOR DIRECTORSHIP OR RE-APPOINTMENT OF DIRECTOR

- a) The NRC will evaluate candidates for new appointment as Directors based on the fit and proper criteria as spelt out in Section 3.1 above before recommending to the Board for approval. The Board Evaluation Form is set out in Annexure 1 (The questionnaires are based on the Corporate Governance Guide 4th Edition). For the appointment of new Director, the person required to complete the Proposed Directors' Information as set out in Annexure 2.
- b) For re-appointment of Directors, the Directors will be evaluated by the NRC. The NRC has the power not to recommend to the Board the re- appointment of retiring Directors who do not meet the policy requirements.
- c) For new appointments, the candidates are required to complete the Candidate for Directorship profile. The candidates will also be required to complete a self-declaration of fit and proper form and authorise the Company to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.
- d) The information gathered from the assessments shall be for the NRC's strict use for the purpose of the assessment and not for public disclosure.

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5. PERIODICAL REVIEW

- a) The NRC is responsible for regular reviews of this **Directors' Fit and Proper Policy** and making any recommended changes as and when it deemed fit. This policy shall be updated to be aligned to any legal or regulatory changes and the best practices under the Listing Requirements of Bursa Securities and the Malaysian Code on Corporate Governance, as the case may be.
- b) Any amendments made to this **Director's Fit and Proper Policy** shall be subject to the approval of the Board.

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ANNEXURE 1

This Evaluation Form provides ratings from one (1) to four (4), or 'Yes' and 'No', with the indicators illustrated below, to be responded in relation to the nature of the questions:

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Yes, always	Yes, most of the time	Yes, but seldom	No
or			
4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Above average	Average	Below average	Poor
or			
Yes <input type="checkbox"/>			No <input type="checkbox"/>
Yes			No

Where a particular criterion is deemed not applicable, it shall be indicated as "Not Applicable" in the comment box.

Name of Director: _____

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	Comments			
Section A : Fit and Proper				
1. Has not been questioned, of his/her honesty, integrity, professional conduct or business ethics/practices which are deceitful, oppressive or improper and investigated on complaints lodged.	Yes		No	
2. Has shown willingness to maintain effective internal control systems and risk management practices.	Yes		No	
3. Possesses relevant qualification, knowledge, experience and ability to understand the technical requirements, risk and management of the company's business.	4	3	2	1
Section B : Contribution and performance				
4. Probes management to ensure management has taken, and suggests management to take into consideration the varying opportunities and risks whilst developing strategic plan (this plan may or may not be in writing as long as minutes of meeting provide a discussion of such strategy).	4	3	2	1
5. Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements.	4	3	2	1
6. Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any.	4	3	2	1
7. Receives feedback from board and/or committee and incorporates feedback obtained into decision-making process in an objective manner.	4	3	2	1
8. Defends own stand through constructive deliberations at board and/or committee meetings, where necessary.	4	3	2	1
9. Tackles conflicts and takes part in proposing solutions.	4	3	2	1
10. Offers practical and realistic advice to board and/or committee discussions.	4	3	2	1

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11. Takes initiative to demand for additional information, where necessary.	4	3	2	1	
12. Tests quality of information and assumptions.	4	3	2	1	
13. Reviews and relates short-term concerns to long-term strategy.	4	3	2	1	
14. Contributes to risk management initiatives.	4	3	2	1	
15. Contributes personal knowledge and experience into the consideration and development of strategy.	4	3	2	1	
16. Facilitates objective-oriented decision-making process.	4	3	2	1	
17. Prioritises context of issues to be in line with objectives.	4	3	2	1	
18. Effectively and proactively follows up on areas of concern.	4	3	2	1	
19. Demonstrates willingness to devote time and effort to understand the company, its business and displays readiness to participate in events outside the boardroom such as site visits.	4	3	2	1	
<u>Section C : Calibre & Personality</u>					
20. Acts in good faith and with integrity.	4	3	2	1	
21. Attends meetings well prepared and adds value to board and/or committee meetings.	4	3	2	1	
22. Works constructively with peers, the company secretary and senior management.	4	3	2	1	
23. Offers insight to matters presented with requisite knowledge and skills, and shares information.	4	3	2	1	
24. Encourages others to get things done, is decisive and action-oriented.	4	3	2	1	
25. Articulates in a non-confrontational and comprehensible manner.	4	3	2	1	
26. Understands individual roles and	4	3	2	1	

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responsibilities and ensures contribution is contemporary with developments.					
27. Behaviour engenders mutual trust and respect within the Board and with other key officers.	4	3	2	1	
28. Communicates effectively with shareholders.	4	3	2	1	
29. Constructively challenges and contributes to the development of strategy.	4	3	2	1	
30. Scrutinises the performance of management in meeting agreed goals and objectives and monitors reporting of performance.	4	3	2	1	
31. Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible.	4	3	2	1	

Other comments:

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ANNEXURE 2

PROPOSED DIRECTOR'S INFORMATION

Name of Company:

Part A: Personal Details

1	Full Name	
2	Date of Birth	
3	NRIC No / Passport No	
4	Citizenship	
5	Permanent Address	
6.	Correspondence Address (if different from above)	
7	Telephone No	
8	Email Address	

Part B: Education Background and Work Experience

No	Questions	Answer
1	Educational Qualification (List all chronologically from the latest qualification)	
2	Work Experience (List all chronologically from the latest experience to the last) (Please use separate paper if required)	
3	What do you consider to be your core area(s) of expertise?	

Part C: Directorship

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1	List of Current and Past Directorship (Please use separate paper if required)	
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D: Declaration

No	Questions	Yes	No
1	Do you have any relationship with any Directors in the Group?		
		If yes, please state details:	
2	Do you have any interest, both direct and indirect in the Group?		
		If yes, please state details:	

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No	Questions	Yes	No
3	Do you have any relatives currently working in the Group?		
		If yes, please state details:	
4	Have you ever been committed of any commercial and criminal crimes including but not limited to traffic offence under the Laws of Malaysia?		
		If yes, please state details:	
5	Are you currently and/or the company where you are a director been notified of any impending disciplinary or criminal proceedings or of any investigations, which might lead to such proceedings?		
		If yes, please state details:	

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No	Questions	Yes	No
6	Have you or the company where you are a director contravene any provision made by or under any written law such as the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2016, Capital Markets and Services Act 2007 and any other applicable laws?		
		If yes, please state details:	
7	Have you or the company where you are a director been reprimanded by the regulators namely, Securities Commission Malaysia and Suruhanjaya Syarikat Malaysia?		
		If yes, please state details:	

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No	Questions	Yes	No
8	Have you involved in any business or relationship which could materially pose a conflict of interest or interfere with your judgment when acting as a director which is disadvantageous to the company?		
		If yes, please state details:	
9	Are you currently a bankrupt?		
		If yes, please state details and steps taken to discharge yourself from the liability:	

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No	Questions	Yes	No
10	Do you hold a post in any political party?		
		If yes, please state details	

Part E: OTHERS

No	Questions	Your Answer
1	What kind of time commitments do you now have for your current activities?	
2	What would your expectations be for the time necessary for Board of the Company?	

I, (NRIC/Passport No:) hereby declare that the above responses are true and correct, as to the best of my knowledge. I further authorise the Company to conduct background check, if necessary, which may consist of prior employment verification, professional reference checks, education confirmation and/or criminal record and credit checks for the purpose of my appointment as a Director of the Company.

.....
Signature:
Name:
Date: