

# **DIRECTORS' FIT AND PROPER POLICY**

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## 1. INTRODUCTION

LBS Bina Group Berhad (“**LBS**” or “**Company**”) is committed to meeting its obligations towards ensuring compliance with the relevant provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other relevant regulatory requirements.

In view thereof, the Company adopted the Directors’ Fit and Proper Policy (“**Policy**”) in assessing fitness and propriety and take into account all relevant matters including competence and capability, honesty, integrity, fairness, ethical behaviour and financial soundness of the Directors of LBGB and its subsidiaries (collectively “**the Group**”).

## 2. OBJECTIVE

This Policy serves as a guide to Nomination and Remuneration Committee (“**NRC**”) and Board of Director (“**Board**”) in review and assess of the candidates that are to be appointed as the Director as well as Directors who are seeking for re-election/re-appointment. It is to ensure each Directors has the character, experience, integrity, competence, and time to effectively discharge his/her role as Directors of the Group.

## 3. SCOPE

This Policy is applicable to the appointment and re-election/re-appointment of Directors of the Group.

## 4. CRITERIA

The NRC and Board shall take the following criteria into consideration when determine whether a candidate is fit and proper to held the directorship in the Group:

- a) Character and integrity
- b) Experience and competence
- c) Time and commitment

### 4.1 Character and integrity

*(i) Probit*

- 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.
- 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, where that failure has been occasioned in part by deficiencies in that management.

#### 4.2 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 (i.e. a match to the board skill set matrix).
- has a considerable understanding on the workings of a corporation.
- possesses general management skills 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 occupying a 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.

#### 4.3 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 and non-listed entities (including not-for-profit organisations).

*(ii) Participation and contribution in the board or track record*

- 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.

### 5. ASSESSMENT

The fit and proper assessments on each person shall be conducted prior to the appointment or re-election/re-appointment of Directors in accordance with the factors set out in Clause 4 above before approval of the Board. The factors shall be assessed individually, as well as collectively, taking into account their relative importance.

The Declaration of Fit and Proper Form to be completed by a person who has been identified for appointment or re-election/re-appointment as a Director is set out in Annexure A or in such other form as the NRC may determine from time to time.

For the appointment of new Director, the person also required to complete the Form of Particular and Declaration of the person to be appointed as Director as set out in Annexure B and provide the necessary documents as mentioned in the Annexure C.

Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The Group should consider the specific circumstances surrounding a person's failure to meet specific factors, including the lapse of time since the occurrence of events, other contributing factors and the significance of the event from the perspective of potential risks posed to the Group.

The assessment process should be exercised objectively and always in the best interests of the Group and the sound conduct of the Group's business.

## 6. REVIEW OF POLICY

This Policy has been approved by the Board and is made available for reference on the Company's corporate website and internal computer networking system.

It shall be reviewed by the NRC and update whenever necessary to ensure its effective implementation. Any subsequent amendments to the Policy should be approved by the Board upon recommendation of the NRC.

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**ANNEXURE A**
**DECLARATION OF FIT AND PROPER FORM**

I, ..... (NRIC No./ Passport No. ....) of ..... do hereby solemnly affirm and declare the following for the calendar year 20\_\_ :-

No.	Criteria	Yes	No. (Please explain)
<b>Probity, Personal Integrity and Reputation</b>			
1.	I have not 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.	I have not 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.	I have not contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies.		
4.	I or any business in which I have a controlling interest or exercise significant influence, have not been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately.		
5.	I have not been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on my professional conduct.		

6.	I have not 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 my honesty and integrity.		
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No.	Criteria	Yes	No. (Please explain)
<b>Probity, Personal Integrity and Reputation</b>			
7.	I have not 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.	I have not held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while I was connected with that business.		
9.	I have not 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.		
10.	In the past, I have not acted unfairly or dishonestly in my dealings with my customers, employer, auditors and regulatory authorities.		
11.	I have not 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.	I have not contributed significantly to the failure of an organisation or a business unit.		
13.	I have not at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices.		
14.	I am 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 LBS Bina Group Berhad and/or its subsidiaries (“LBS Group”) which would be disadvantageous to LBS Group’s interest.		

No.	Criteria	Yes	No. (Please explain)
<b>Financial Integrity</b>			
15.	I am and will be able to fulfil my financial obligations, whether in Malaysia or elsewhere, as and when they fall due.		
16.	To my knowledge, I have not been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.		
17.	I have not made arrangements with creditors, filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction.		

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 Name:

Position:

Date:

**FORM OF PARTICULAR AND DECLARATION OF THE PERSON TO BE APPOINTED AS DIRECTOR****A) PERSONAL DETAIL**

- 1 Full Name
- 2 Date of Birth
- 3 NRIC No. and Passport No.
- 4 Citizenship
- 5 Residential Address
- 6 Telephone No.
- 7 Email Address

**B) EDUCATION BACKGROUND AND WORK EXPERIENCE**

- 1 Educational Qualification  
(List all chronologically from the latest qualification)
- 2 Work Experience  
(List all chronologically from the latest experience to the last)
- 3 What do you consider to be your core area(s) of expertise?

**C) DIRECTORSHIP**

- 1 List of Current and Past Directorship

**D) DECLARATION (Note: If your answer “YES”, please provide details)**

		<b>Remarks</b>
1	Do you have any relationship with any Directors in LBS Bina Group Berhad and/or its subsidiaries (“LBS Group”)?	YES / NO
2	Do you have any interest, both direct and indirect in LBS Group?	YES / NO
3	Do you have any relatives currently working in LBS Group?	YES / NO
4	Have you ever been committed any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences?	YES / NO
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?	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?	YES / NO
7	Have you or the company where you are a director been reprimanded by the regulators namely, Bursa Malaysia Securities Berhad, Securities Commission Malaysia and Suruhanjaya Syarikat Malaysia?	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?	YES / NO

9 Are you currently a bankrupt? YES / NO

10 Do you hold a post in any political party? YES / NO

#### **E) OTHERS**

1 What kind of time commitments do you now have for your current activities? YES / NO

2 What would your expectations be for the time necessary for LBS Group Board? YES / NO

I hereby confirmed that the above information and responses provided are true and correct. I further authorise the LBS Group 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 LBS Group.

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Name:

Date:

#### **ANNEXURE C**

No.	Documents checklist	tick [√]
1.	A copy of National Registration Identity Card and Passport	
2.	Curriculum Vitae/profile	
3.	Education certificate(s)	
4.	Mandatory Accreditation Programme (MAP) certificate	
5.	CTOS Consent Form	

6. Section 201 - Declaration by a person before appointment as director, or by a promoter before incorporation of corporation
7. Notice pursuant to Section 219 of the Companies Act, 2016
8. Particulars required of new director of listed corporation under Section 319(2)(c) of the Capital Markets & Services Act 2007
9. Undertaking by a director of an application/ listed corporation
10. Letter of Confirmation by an independent director of an application/ listed corporation\*
11. Independent Director self-assessment checklist\*

\*Only applicable for Independent Director

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