

# MALAYSIAN PACIFIC INDUSTRIES BERHAD

## DIRECTORS' FIT AND PROPER POLICY

### 1. OVERVIEW

The Directors' Fit and Proper Policy ("Policy") sets out the fit and proper criteria for the appointment and re-election of Directors on the Boards of the Company and its subsidiaries.

### 2. PURPOSE

To serve as a guiding mechanism and framework for the Nominating Committee ("NC") and Board in their review and assessment of candidates for new appointments as well as re-elections of Directors who are seeking re-election.

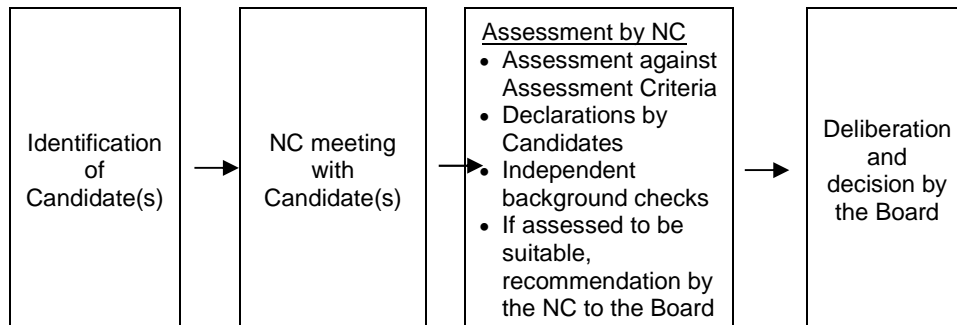
### 3. PRINCIPLES

#### Assessment Process

#### (A) New Appointments

##### The Company

(a) The nomination, assessment and approval process for New Appointments shall be as follows:



(b) Assessment Criteria

The Company is required to ensure that the Policy addresses Board quality and integrity to aid the Company in complying with Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Candidate will be assessed based on the following Assessment Criteria:

#### **Character and Integrity**

The Candidate has the probity, personal integrity, financial integrity and reputation to act as a director of the Company and/or its subsidiaries.

#### **Experience and Competence**

The Candidate will be a strategic and effective fit for the Board and contribute to the overall desired composition, including Board diversity and required mix of skills, expertise, knowledge and experience in the relevant industry, market and segment to enhance the Board's overall effectiveness.

The NC shall, inter alia, consider the attributes, qualifications, management, leadership and business experience, which ought to be at the senior levels.

In respect of skills, expertise and background, the Candidate should ideally complement the mix of skills, expertise, knowledge and experience of the Board.

In the case of executive director, the NC should consider the Candidate's knowledge and experience in the relevant industry, market and segment and how this will bear on the performance of his/her duties.

In the case the Candidate is to be appointed as an independent director, the Candidate shall complete the Independence Declaration in respect of his/her independence.

**Time and Commitment**

The Candidate will be briefed on expectations on his/her role including his/her time commitment, and general and specific contributions expected; and whether the Candidate is required to attend appropriate training to strengthen any specific area of knowledge/experience so as to close the gaps identified to be lacking.

**Declarations**

The Candidate shall complete the Declaration in respect of his/her probity, personal integrity, financial integrity, reputation, conflict of interest or potential conflict of interest, qualifications, skills and experience. The Company shall conduct independent background checks on the Candidate of the Company to verify the information disclosed in the Declaration.

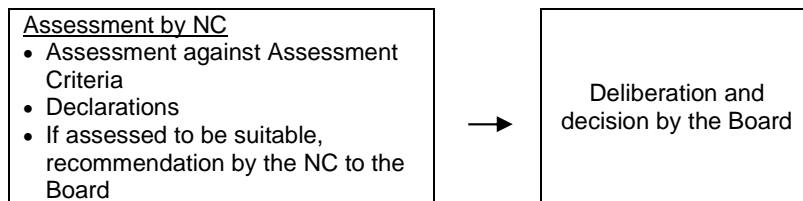
**The Subsidiaries**

The board of subsidiaries shall assess the candidate of the subsidiaries' board in respect of the candidate's probity, personal integrity, financial integrity, reputation, qualifications, skills and experience.

**(B) Re-elections**

**The Company**

(a) The assessment and approval process for re-elections shall be as follows:



(b) Assessment Criteria

For re-elections, the Director will be evaluated on the effectiveness of his/her performance in the discharge of duties and responsibilities, including, inter alia, contribution to Board deliberations, commitment and, for an independent director, his/her independence.

In respect of skills, expertise and background, the Director should ideally complement the mix of skills, expertise, knowledge and experience of the Board.

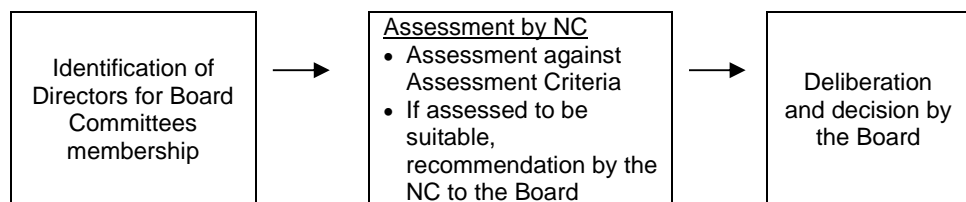
The NC shall also consider the results of the Director's Annual Board Assessment , and fit and proper declaration and assessment in respect of the Director's probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity, the contribution during the term of office and the attendance of Board meetings, which must be at least 50% of the board meetings held in the financial year.

### **The Subsidiaries**

The board of subsidiaries shall assess the director of the subsidiaries' board in respect of the director's probity, personal integrity, financial integrity, reputation, qualifications, skills and experience.

### **(C) Board Committee Appointments**

- (a) The nomination, assessment and approval process for Board Committees Appointments shall be as follows:



- (b) Assessment Criteria

The assessment for Board Committees Appointments will be based on the Directors' potential contributions and value-add to the Board Committees with regard to Board Committees' roles and responsibilities.

## **4. REVIEW OF THE POLICY**

This Policy is subject to periodic review by the Board or at least once annually and published on the Company's website.