

## DIRECTORS' FIT AND PROPER POLICY

### 1.0 Introduction

- 1.1 This Policy is developed to assist the Board of Directors of Eastland Equity Bhd to decide on the appointment and re-appointment of Directors to the Board of Eastland Equity Bhd.
- 1.2 It outlines the approach undertaken by the Nomination Committee, Remuneration Committee and the Board in reviewing and assessing candidates identified for appointment to the Board and existing Directors who are seeking for reappointment.

### 2.0 Fit and Proper Criteria

- 2.1 The criteria that the Company adopt include but not limited to the following that are outlined by Bursa Malaysia Securities Berhad in its Corporate Governance Guide (4<sup>th</sup> edition). The general criteria in relation to this fit and proper policy are:
  - i. Character and Integrity
  - ii. Experience and Competence
  - iii. Time and Commitment
- 2.2 While assessing the above criteria, the followings are considered:

#### **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
- 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

**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

**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

### **3.0 Assessment of Directors**

- 3.1 The assessment which is based on criteria set up in section 2.2 above, shall be conducted by Nominating Committee on Directors seeking for reappointment to the Board before recommending to the Board for approval. The Company adopts Directors' evaluation form provided by Bursa Malaysia Securities Berhad in its Corporate Governance Guide (4th edition) as set out in Appendix 1.
- 3.2 For candidates to be appointed to the Board, they are required to submit the self declaration form as set out in Appendix 2. The Nominating Committee is to evaluate the candidate before recommending to the Remuneration Committee to determine the proposed remuneration package and subsequently to the Board for the appointment.
- 3.3 The information gathered and result of the assessments are for internal use are for internal use and shall not be disclosed to other party.

### **4.0 Review**

This policy shall be reviewed periodically as the Board deem necessary, to be in line with the Company's need and compliance to the applicable law.

# Appendix 1: Directors' Evaluation Form

The 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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**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 <input type="checkbox"/>			No <input type="checkbox"/>
Comment:			

2. Has shown willingness to maintain effective internal control systems and risk management practices

Yes <input type="checkbox"/>			No <input type="checkbox"/>
Comment:			

3. Possesses relevant qualification, knowledge, experience and ability to understand the technical requirements, risk and management of the company's business

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

**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 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

5. Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

6. Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

7. Receives feedback from board and/or committee and incorporates feedback obtained into decision-making process in an objective manner

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

8. Defends own stand through constructive deliberations at board and/or committee meetings, where necessary

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

9. Tackles conflicts and takes part in proposing solutions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

10. Offers practical and realistic advice to board and/or committee discussions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

11. Takes initiative to demand for additional information, where necessary

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

12. Tests quality of information and assumptions

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

13. Reviews and relates short-term concerns to long-term strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

14. Contributes to risk management initiatives

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

15. Contributes personal knowledge and experience into the consideration and development of strategy

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

16. Facilitates objective-oriented decision-making process

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

17. Prioritises context of issues to be in line with objectives

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

18. Effectively and proactively follows up on areas of concern

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			



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 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

**Section C: Calibre and personality**

20. Acts in good faith and with integrity

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

21. Attends meetings well prepared and adds value to board and/or committee meetings

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

22. Works constructively with peers, the company secretary and senior management

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

23. Offers insight to matters presented with requisite knowledge and skills, and shares information

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

24. Encourages others to get things done, is decisive and action-oriented

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

25. Articulates in a non-confrontational and comprehensible manner

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

26. Understands individual roles and responsibilities and ensures contribution is contemporary with developments

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

27. Behaviour engenders mutual trust and respect within the Board and with other key officers

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

28. Communicates effectively with shareholders

<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Comment:			

29. Constructively challenges and contributes to the development of strategy

<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Comment:			

30. Scrutinises the performance of management in meeting agreed goals and objectives and monitors reporting of performance

<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Comment:			

31. Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible

<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1
Comment:			

Compiled by :

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Name :  
Designation : Nominating Committee Chairman

# Appendix 2: Prospective Director Declaration Form

Company : Eastland Equity Bhd

Name : \_\_\_\_\_

IC no. : \_\_\_\_\_

Address: \_\_\_\_\_

(Please tick (✓) whichever applicable)

		Yes	No
<b>Probity, Personal Integrity and Reputation</b>			
1.	Have you been the subject of any proceedings of a disciplinary or criminal nature, or have been notified of any impending proceedings or of any investigations, which might lead to such proceedings?		
2.	Have you contravened any of the requirements and standards of a regulatory body, professional body, government or its Agencies? For example provision from Bursa Malaysia Listing Requirements.		
3.	Have you or any business in which you have a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately?		
4.	Have you been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about your honesty and integrity?		
5.	Have you 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 due to misconduct?		
6.	Have you held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while you were connected with that business?		
7.	Have you been a director of, or 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?		

		Yes	No
8.	Have you at any time shown a strong objection or lack of willingness to co-operate with regulatory authorities, which in turn resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations?		
9.	Have you at any time shown strong objection or lack of willingness to maintain effective internal control systems and risk management practices?		
10.	Have you contributed significantly to the failure of any organisation or any business unit?		
11.	Are you involved in any business or personal relationship which could materially pose a conflict of interest or interfere with your judgement when acting in the capacity of a Director of Eastland which could result in disadvantageous to the interest of the Company?		
<b>Financial Integrity</b>			
12.	Have you been and will be able to fulfil your financial obligations, whether within or outside Malaysia, as and when they fall due.		
13.	Have you been adjudged by the Court of Law as a bankrupt whether within or outside Malaysia or are you currently involved in any bankruptcy proceedings?		

If any of the above is YES, please state the details:

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Signed by :

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Name :

Date :