



GAGASAN NADI CERGAS
BERHAD (1238966-U)

DIRECTORS' FIT AND PROPER POLICY

Document Title: GROUP POLICY – DIRECTORS’ FIT AND PROPER POLICY	Company	Gagasan Nadi Cergas Berhad
	Department	QA/QC and Compliance
	Issue No.	1
	Revision No.	0
	Reference No.	GNCB/QAC/POL/FPP07/1.0
	Effective Date	1 July 2022

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1.0 INTRODUCTION

The Board of Directors (“the Board”) of Gagasan Nadi Cergas Berhad (“GNCB” or “the Company”) has adopted this Fit and Proper Policy for the appointment and re-election of Directors (“Policy”) of the Company and its subsidiaries (“Group”).

This Policy will enhance the governance of the Company in relation to the Board’s quality and integrity, as well as to ensure that each of its Directors has the character, experience, integrity, competence, time and commitment to effectively discharge his role as a Director.

2.0 OBJECTIVE

The Board shall ensure that the fit and proper criteria on the appointment and re-election of Directors of the Group set out in Paragraph 3 are applied on a continuing basis.

The Nomination Committee (“NC”) shall conduct the fit and proper assessment prior to recommending the appointment of any candidate as a Director, or making recommendation for the re-election of an existing Director to the Board.

3.0 THE FIT AND PROPER CRITERIA

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

3.1 Character and Integrity

i. Probity

- he/she is compliant with legal obligations, regulatory requirements and professional standards; and
- he/she has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

ii. Personal integrity

- he/she 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;
- his/her service contract in his/her capacity of management or director had not been terminated in the past due to concerns on personal integrity; and
- he/she has not abused his/her positions as political appointee to benefit the Company in a manner that contravenes the law or principles of good governance.

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iii. Financial integrity

- he/she manages personal debts or financial affairs satisfactorily and with good financial standing; and
- he/she demonstrates ability to fulfil personal financial obligations as and when they fall due.

iv. Reputation

- he/she is of good repute in the financial and business community;
- he/she has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years; and
- he/she 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. Qualification, training and skills

- he/she possesses education qualification that is relevant to the skill set that the director is earmarked to bring to bear onto the boardroom fulfilling the match to the Board skill set matrix;
- he/she has a considerable understanding on the operation of a corporation;
- he/she possesses general management skills as well as understanding of corporate governance and sustainability issues;
- he/she keeps knowledge current based on continuing professional development; and
- he/she possesses leadership capabilities and emotional intelligence.

ii. Relevant experience and expertise

- he/she 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 track record

- he/she 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; and
- he/she possesses commendable past performance record which could be gathered from the results of the Board Effectiveness Evaluation.

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3.3 Time and Commitment

- i. Ability to discharge role having regard to other commitments
 - he/she is able to devote time as a Board member, having factored other obligations including existing board positions held in other listed issuers, taking consideration his board attendance records and non-listed entities including not-for-profit organisations.
- ii. Participation and contribution in the Board (applicable for re-election of existing Directors only)
 - he/she demonstrates willingness to participate actively in Board activities;
 - he/she demonstrates willingness to devote time and effort to understand the business and exemplifies readiness to participate in events outside the boardroom;
 - he/she manifests passion being a Director;
 - he/she exhibits ability to articulate views independently, objectively and constructively; and
 - he/she exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4.0 REVIEW OF THIS POLICY

The NC is responsible for the review of the Policy and making any recommended changes as the NC deems appropriate to the Board for approval. The Policy shall be aligned to any legal or regulatory changes and the best practices under the Malaysian Code on Corporate Governance.

The Directors’ Fit and Proper Policy has been adopted by the Board on 1 July 2022.