

PRIVASIA TECHNOLOGY BERHAD

FIT AND PROPER POLICY FOR DIRECTORS

**ADOPTED BY THE BOARD
9 MAR 2023**



**PRIVASIA
TECHNOLOGY BERHAD**
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FIT AND PROPER POLICY FOR DIRECTORS

1. OVERVIEW & PURPOSE

- 1.1 As members of the board provide leadership that affects the financial and direction of a company, persons holding such positions must have the necessary qualities, competencies and experience that are conducive to the performance of their duties and responsibilities.
- 1.2 This policy ("*Fit and Proper Policy*") is to therefore set out the key criteria as a guide for selection, and re-appointment, of candidates proposed to be appointed (and re-elected) as directors of **PRIVASIA Technology Berhad** ("*Company*") and its subsidiaries.
- 1.3 The Nomination ("*Committee*") which is responsible for assessing, and selecting, the candidates are to be guided by this Fit and Proper Policy when they make the relevant recommendation to the Board regarding appointment and re-election of directors.
- 1.4 The Company will disclose in its annual report, a statement about the activities of the Committee, including its due compliance with the requirements of the ACE-LR, the board nomination and election process as well as board and director assessment, together with the criteria that has been considered, and implemented.
- 1.5 This Fit and Proper Policy is to take effect from 1st June 2022 and is to continue in force thereafter unless varied, modified or revoked by the Board of Directors of the Company.

2. COMPLIANCE & LEGAL REQUIREMENTS

- 2.1 This Fit and Proper Policy is to ensure compliance with the relevant provisions (and amendments thereto) of the Main Market Listing Requirements ("*MMLR*") and the ACE Market Listing Requirements ("*ACE-LR*") of Bursa Malaysia Berhad ("*Bursa Malaysia*"), and all other relevant regulations, directives and guidance provided by Bursa Malaysia.
- 2.2 As the MMLR and ACE-LR requires a listed issuer to have a fit and proper policy for appointment (and re-election) of directors of the listed issuer (and its subsidiaries), this Fit and Proper Policy thus addresses this requirement(s) to ensure board quality, competency and integrity;
- 2.3 This Fit and Proper Policy will be established, published and made available on the Company's website;
- 2.4 In line with MMLR and ACE-LR, the Company will ensure that each of its directors, Chief Executive Officer, Chief Financial Officer and Chief Technology Officer has the necessary character, competence, integrity and experience to properly and effectively perform and discharge his or her respective role of the Company;
- 2.5 Pursuant to the MMLR and ACE-LR, the appointment of board and senior management officers of the Company will be based on objective criteria and merit, and will have due regard for diversity in skills, experience, age, cultural background and gender;
- 2.6 In this regard, the Committee will ensure that, at all material times, the composition of the Board will comprise of at least one (1) female director;



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2.7 In line with ACE-LR, the appointment (or re-election) of an Independent Director (“ID”) will not be for more than 9 years so as to ensure: independence and objectivity of an ID, that he or she will be able to ensure, or maintain, objectivity in making board decisions without any undue influence from management or interested parties. In this regard:-

2.7.1 ‘independent director’ shall refer to :

- (i) A person who is not, and has not been within the last three years, an ‘officer’ of an applicant, a listed issuer or any related corporation of such applicant or listed issuer; and
- (j) has not served as an ID in any one or more of the said corporations for a cumulative period of more than 12 years from the date of his or her first appointment as an ID;

2.8 The Board will also ensure that a statement justifying the nomination of an individual as an ID, and explaining why there is no other eligible candidate, if that individual has cumulatively served as an ID of the listed issuer or any one or more of its related corporations for more than 12 years and observed the three (3) year cooling off period;

2.9 All directors appointed (or re-elected) must be able to devote the necessary time in order to serve the board effectively. In this regard, the board will also consider all existing board positions held by a director, including on boards of non-listed companies, and will undertake the necessary assessment, review or change(s) that may be required to ensure the due and proper integrity and governance of the Company.

3 FIT AND PROPER CRITERIA

3.1 Any person to be appointed (or re-elected) as a director of the Company (or its subsidiaries) including nominee director(s) on boards of any joint venture company (or associate companies) must not be disqualified and must have been assessed to have met all the criteria of this Fit and Proper Policy, with the minimum being the :

- (i) character and integrity;
- (ii) experience and competence; and
- (iii) time and commitment.

3.1.1 Character and Integrity

- (i) Probity
 - compliance with all legal obligations, regulatory requirements and professional standards;
 - has not been obstructive, misleading, non-cooperative or untruthful in dealings with regulatory bodies or a court of law;
 - has 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;



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(ii) Personal integrity

- has not been involved in, perpetrated or participated in any business practices which are deceitful, oppressive improper (whether unlawful or not), or which otherwise brings into question or doubt his or her professional conduct;
- has not been subjected 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;
- has not abused other positions (i.e. political appointment) to facilitate government relations for the Company in a manner that contravenes established codes of ethical conduct and/or principles of good governance.

(iii) Financial integrity

- manages personal debts or financial affairs prudently and/or satisfactorily;
- demonstrates ability to fulfil personal financial obligations as and when they fall due;
- must not have been subject of a judgement debt (from a competent court of law) which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.

(iv) Reputation

- is of good standing and repute in the corporate, business and financial communities;
- has not, for the past 10 years, been convicted of civil or criminal proceedings or enforcement action, in managing or governing a company, business or entity.

3.1.2 Experience and Competence

3.1.2.1 Qualifications, training and skills

- possesses academic, educational or professional qualification(s) that is relevant to the skill set that he, or she, is expected to bring or contribute to the boardroom (i.e. a match to the board skill set matrix and strategic priorities of the Company);
- 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;
- has satisfactory past performance or expertise in the nature of the business being conducted.



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3.1.2.2 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.

3.1.2.3 Relevant past performance or track record

- had (or presently has) a career in high-level position(s) in comparable companies, businesses or organisations, where he or she held (or holds) key position and is responsible for driving or leading the governance, business performance or operations;
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation (applicable for re-election and re-appointment of directors).

3.1.3 Time and Commitment

3.1.3.1 Ability to discharge role having regard to other commitments

- Is able to devote necessary time as a board member, having considered other external responsibilities or obligations (including concurrent board positions held across listed issuers and non-listed entities (including not-for-profit organisations)).

3.1.3.2 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 for the Company's business in his or her 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.



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4 PERIODIC REVIEW OF THE FIT AND PROPER POLICY AND REPORTING REQUIREMENTS

- 4.1 The Committee shall review this Fit and Proper Policy once in two (2) years or upon amendments, modifications or changes, being made to the relevant rules and regulations, (whichever is earlier) and make the appropriate recommendation to the Board on any proposed amendments to the Policy;
- 4.2 The Committee will also undertake periodic review to ensure the relevance and alignment with the Group's needs and structures as well as material changes in the business and risk profile of Directors.
- 4.3 Pursuant to the MMLR and ACE-LR, the Company shall disclose in its annual report, a statement about the activities of the Committee in the discharge of its duties for the financial year which includes the application of the Fit and Proper Policy in the nomination and election of its directors, the fulfilment of the requirements of the MMLR and ACE-LR, and will also contain the following information:
- (ii) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the listed issuer;
 - (iii) the board nomination and election process of directors; and
 - (iv) the assessment undertaken by the nominating committee in respect of the performance of its board, committees and individual directors together with the criteria used for such assessment.
- 4.4 A copy of this Fit and Proper Policy is published, and available, on the Company's website.