



# **BINTULU PORT HOLDINGS BERHAD GROUP OF COMPANIES**

**DIRECTORS' FIT AND PROPER POLICY**

01 September 2022

**BINTULU PORT HOLDINGS BERHAD**  
**DIRECTORS' FIT AND PROPER POLICY**

**1.0 INTRODUCTION**

- 1.1 The Directors' Fit and Proper Policy ("this Policy") is set out to fulfil the following objectives —
- 1.1.1 To establish fit and proper criteria for the appointment and re-appointment of Directors on the Boards of Bintulu Port Holdings Berhad ("the Company") and its subsidiaries (collectively referred to as "the Group").
  - 1.1.2 To ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of the Company and/or its subsidiaries.
  - 1.1.3 To serve as a guide to the Nomination & Remuneration Committee ("the NRC") and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.
- 1.2 This Policy shall be read together with the Board Nomination and Remuneration Policy of the Company.

**2.0 FIT AND PROPER CRITERIA**

- 2.1 The fit and proper criteria of a Director include but shall not limited to the following — <sup>1</sup>

**2.1.1 Character and Integrity<sup>2</sup>**

- (i) Probity
  - (a) is compliant with legal obligations, regulatory requirements and professional standards;
  - (b) has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

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<sup>1</sup> Section IV: Nominating Committee, Bursa Malaysia Securities Berhad's Corporate Governance Guide: 4<sup>th</sup> Edition, 15 December 2021.

<sup>2</sup> Ibid., Malaysian Code on Corporate Governance: Practice 5.5

(ii) Personal integrity

- (a) 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;
- (b) service contract (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity;
- (c) 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

- (a) manages personal debts or financial affairs satisfactorily.

(iv) Reputation

- (a) is of good repute in the financial and business community;
- (b) has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past ten (10) years;
- (c) 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.

### 2.1.2 Experience and competence<sup>3</sup>

(i) Qualifications, training and skills

- (a) 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);
- (b) has a considerable understanding on the business and workings of a corporation;

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<sup>3</sup> Bursa Malaysia Securities Berhad's Corporate Governance Guide: 4<sup>th</sup> Edition, 15 December 2021 and MCCG Practice 5.5

- (c) possesses general management skills as well as understanding of corporate governance and sustainability issues;
- (d) keeps knowledge current based on continuous professional development;
- (e) possesses leadership capabilities and a high level of emotional intelligence.

(ii) Relevant experience and expertise

- (a) 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

- (a) 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;
- (b) possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

### 2.1.3 Time and commitment<sup>4</sup>

(i) Ability to discharge role having regard to other commitments

- (a) 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

- (a) demonstrates willingness to participate actively in board activities;

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<sup>4</sup> Bursa Malaysia Securities Berhad's Corporate Governance Guide: 4<sup>th</sup> Edition, 15 December 2021 and MCGG Practice 5.5

- (b) demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- (c) manifests passion in the vocation of a Director;
- (d) exhibits ability to articulate views independently, objectively and constructively;
- (e) exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

### **3.0 THE ASSESSMENT OF FITNESS AND PROPERNESS OF DIRECTORS**

- 3.1 The fit and proper assessments on each Director within the scope of this Policy shall be conducted by the NRC both prior to new appointments or re-appointments and at regular intervals of at least annually or whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.
- 3.2 The Company will consider the factors set out in Paragraph 2.0 above in assessing a Director's fitness and properness. The factors shall be assessed individually, as well as collectively, taking into account their relative importance.
- 3.3 Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The Company will consider the specific circumstances surrounding a Director's failure to meet specific factors, such as 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 Company.
- 3.4 The Company should exercise the assessment objectively in the best interests of the Company and the sound conduct of the Company's business.
- 3.5 In conducting the assessment, the Company should consider whether there have been material changes in the nature or scope of the responsibilities assumed by a Director in which higher standards of competence or judgement are required in order to properly perform the duties associated with the said position.
- 3.6 For the appointment of new Director, the Company will also conduct proper due diligence and searches (if necessary) and the outcome thereof shall be forwarded to the NRC.

#### **4.0 MONITORING AND REPORTING**

- 4.1 The Board, through the NRC, monitors the relevance and compliance of this Policy, from time to time.
- 4.2 The Management shall assist the NRC in the implementation, monitoring and reporting on the effectiveness of this Policy to be disclosed in the Annual Report accordingly up to the extent as provided by the Listing Requirements of Bursa Malaysia Securities Berhad.

#### **5.0 REVIEW OF THE POLICY**

- 5.1 Any revisions to the Policy as recommended by the NRC will be submitted to the Board for consideration and approval accordingly.
- 5.2 The terms of the Policy shall be assessed, reviewed and updated where necessary when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.
- 5.3 The policy shall be made available on the Company's website through the following link: [www.bintuluport.com.my](http://www.bintuluport.com.my).

#### **6.0 DATE EFFECTIVE**

This Directors' Fit and Proper Policy of Bintulu Port Holdings Berhad shall be in effect from 01 September 2022.