



A Member of  MMC Group

[Registration No. 199201008906 (240409-T)]
(Incorporated in Malaysia)

FIT AND PROPER POLICY

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1. DEFINITIONS

“Name of Company”	:	Gas Malaysia Berhad
“Board”	:	Board of Directors of Gas Malaysia Berhad
“NRC”	:	Nomination & Remuneration Committee
“Group”	:	The Company and its subsidiaries
“Responsible Persons”	:	The existing directors or candidates for nomination or appointment or re-election as director of the Group, as the case may be.
“Policy”	:	The Fit and Proper Policy of the Group

2. PURPOSE

- 2.1** The purpose of this Policy is to set out the Group’s approach to the assessment of fitness and propriety of *Responsible Persons* to ensure they have the character, experience, integrity, competence and commitment of time to effectively discharge their roles and responsibilities which includes diligence, honesty and judgement to perform the duties of that position, in tandem with good corporate governance practices.
- 2.2** This Policy is intended to address the governance of the quality and integrity of the Responsible Persons.

3. RESPONSIBILITY

3.1 The Board’s Responsibility

In the application of this Policy, the Board and the NRC will be guided in determining that all Responsible Persons fulfil the fit and proper criteria and requirements and conduct assessment for fitness and propriety of Responsible Persons. Ultimately, the Board will make all final determination on their fitness and propriety.

3.2 The NRC’s Responsibility

The NRC is responsible for the following:-

- (a) The assessment of existing directors or candidates for nomination or appointment as a director of the Company and make recommendations to the Board on these matters;
- (b) Ensuring that appropriate fit and proper assessments are carried out for each Responsible Person;
- (c) Reporting to the Board about any matters that are relevant to a particular assessment of a Responsible Person’s fitness and propriety;
- (d) Providing information to the Board on matters concerning the criteria and procedure for fit and proper assessments including addressing any gaps in the assessment; and

- (e) Ensuring that the Group takes all reasonable steps to protect the information and documents collected for fit and proper assessments from misuse, unauthorised access, modifications or disclosure.

4. FIT AND PROPRIETY STANDARDS

As and when necessary, the NRC shall propose potential/new candidates to the Board and for the assessment of all Responsible Persons, the NRC shall be using the principles underpinning the criteria listed below to assess the suitability of the candidates prior to recommending to the Board for the appointment and reappointment as well as the fitness and propriety of the Responsible Persons.

The assessment shall have regard to the considerations set out below in paragraphs 4.1, 4.2 and 4.3 of this Policy.

4.1 Fit and Proper Criteria

For the purpose of establishing whether a person is fit and proper to hold the Responsible Person position, the Company shall have regard to the person's:

- (a) **Character and Integrity** – person must have the personal qualities such as probity, honesty, personal integrity, financial integrity and reputation.
- (b) **Experience and Competence** – person must have the necessary qualifications, training and skills, relevant experience and expertise, relevant past performance or track record.
- (c) **Time and Commitment** – person must have the ability to discharge role having regard to other commitments, participation and contribution in the board or track record to carry out the role.

The assessment to the above criteria shall have regard to the considerations set out below in paragraph 4.1.1 to 4.1.3 of this Policy.

4.1.1 Character and Integrity

In assessing the person's character and level of integrity to hold the position as responsible person, the NRC and the Board should consider matters including, but not limited to the following:

Probity

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

Personal Integrity

- (a) that the person has not abused his position, perpetrated or participated in any business practices which are deceitful, oppressive improper, or which otherwise reflect discredit on his professional conduct; and
- (b) that the person had not been terminated/dismissed, from the employment in the past due to concerns on personal integrity.

Financial Integrity

- (a) that the person is not an undischarged bankrupt; and
- (b) that the person has not been substantially involved in the business or company in a management which has failed, gone into receivership, insolvency or involuntary liquidation due to incompetence and deficiencies in that management.

Reputation

- (a) that the person is of good repute in the community and has not been convicted for civil or criminal proceedings or enforcement action in the past 10 years while managing or governing an entity;
- (b) that the person 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
- (c) that the person 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.

4.1.2 Experience and Competence

Experience and competence are demonstrated by a person who possesses the relevant education, knowledge, ability, experience and competence to understand the technical requirements of the business and the management process required to perform his role as a responsible person in the relevant capacity effectively.

In assessing the person's experience and competence, the NRC and the Board should consider matters including, but not limited to the following:

Qualifications, training and skills

- (a) that the person has the appropriate education qualification, training that is relevant to the skill set that the director is earmarked to bring onto the boardroom (i.e. match the board skill set matrix);
- (b) that the person has satisfactory past performance or expertise and or had experience in leading or driving governance, business performance or operations with a good past performance track record gathered from board effectiveness evaluation; and

- (c) that the persons keep knowledge current based on continuous professional development.

Relevant experience and expertise

- (a) that the person possesses relevant experience and expertise with due consideration given to commendable past performance.

4.1.3 Time and Commitment

In assessing the person's time and commitment, the NRC and the Board should consider matters including, but not limited to the following:

Ability to discharge role having regard to other commitments

- (a) that the person is able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the director across the company and other listed or non-listed companies (including not-for-profit organisation);

Participation and contribution in the Board or track record

- (a) demonstrates willingness to participate actively in board activities;
- (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; and
- (e) exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others.

5. ASSESSMENT PROCESS

5.1 The NRC will assess each person for a new appointment or re-appointment of Director based on criteria set under item 4 before recommending to the Board for approval. The assessment/declaration form is set out in Appendix A. The results of the assessment are part of the Company's internal documents and shall not be disclosed or provided to any other party.

5.2 FIT AND PROPER CRITERIA AND PRUDENT JUDGEMENT

The Company will make its decision based on the provision of information as outlined within this Policy. The Company will also make reasonable enquiries to obtain relevant information that can be taken into account in making a fit and proper assessment, in addition to the self-assessment forms completed by the responsible persons and potential responsible persons.

The information can include a person's formal qualifications and attainments, curriculum vitae, referee reports obtained as part of a recruitment process, and any other publicly available information that is relevant to the fit and proper criteria.

5.3 DISCLOSURE OF INFORMATION RELEVANT TO A FIT AND PROPER ASSESSMENT

All Responsible Persons are required to disclose to the Company all information that may be relevant to a fit and proper assessment. The Company will take all reasonable steps to ensure compliance with Personal Data Protection Act 2010 in collecting and using the information about responsible persons collected as part of the assessment process.

Conflict of interest are required to be disclosed by all responsible persons on appointment and ongoing basis, or for directors, being provided with the opportunity to declare any interests at each Board meeting.

6. DOCUMENT RETENTION AND REPORTING

The Company will maintain on file information related to the fit and proper assessment of all current and recently past Responsible Persons.

7. REVIEW OF THIS POLICY

This Policy will be reviewed by NRC periodically or as and when necessary to ensure its effectiveness, in accordance with the needs of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and/or any other applicable laws enforced at the time being. The NRC will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

8. DISCLOSURE OF THIS POLICY

This Policy will be published on the Company's website for public information.

9. APPROVAL

This Policy was reviewed and approved by the Board on 28 June 2022.



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APPENDIX A

DECLARATION OF FITNESS AND PROPRIETY OF A * RESPONSIBLE PERSON (“RP”)

NAME OF COMPANY: GAS MALAYSIA BERHAD (the “Company”)

Performance Period:

RP’s Name & Position on Board:

**as defined in the Fit and Proper Policy of the Company (the “Policy”)*

The Board of Directors of the Company (“Board”) and NRC must consider the following factors based on the RP’s self-assessment in assessing the RP’s level of probity, personal and financial integrity, reputation, competence and experience as well as time commitment. The NRC has the discretion from time to time to amend, supplement and/or restate this Appendix A as the NRC deems fit.

Section A – To be completed by the RP (for New Appointment and Re-appointment/Re-election)

This declaration is to be completed by the RP. The RP must ensure that the information set out in this declaration is complete and accurate.

<i>Part A : Self-assessment of fitness and propriety – probity, personal & financial integrity and reputation</i>		Y/N	If Yes - please provide relevant details (attach supporting documents if required)
1.	Have you or any business you were involved in (whether as an owner or have a controlling interest in) been the subject of any proceedings of a disciplinary or criminal nature.		
2.	Have you contravened any of the requirements and standards of or been disqualified by any regulatory body, professional body, government body or its agencies?		
3.	Have you engaged in any business practices or been questioned on aspects of professional conduct or business ethics which are deceitful, oppressive or otherwise improper or which otherwise reflect discredit on your reputation?		
4.	Have you been dismissed/terminated from employment because of questions about your honesty and integrity?		

Performance Period:

RP's Name & Position on Board:

Part A : Self-assessment of fitness and propriety – probity, personal & financial integrity and reputation		Y/N	If Yes - please provide relevant details (attach supporting documents if required)
5.	Have you been involved in any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of your judgment when acting in the capacity of a RP which would be disadvantageous to the interest of the Company and/or Group?		
6.	Have you been a director of, or directly involved 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?		
7.	Are there any bankruptcy proceedings pending or a re being initiated against you presently?		

Part B : Self-assessment of fitness and propriety – experience and competence		Comments
1.	What is the extent of your past experience which is similar to the business of the Company and the Group's geographic footprint? Please give your comments on the value-add you can contribute if there is no similar experience/background.	
2.	What is the level of applicability of your professional qualifications/competence including the ability to understand the technical requirements, risk and management of the Company's business required for this position as a RP? Please provide evidence of past experiences and proof of your qualifications to support your assessment.	
3.	What previous/recent training courses have you attended which is of relevance and required for this position as RP? Please provide evidence of training certifications to support your answer.	

Performance Period:
RP's Name & Position on Board:

<i>Part C : Self-assessment of fitness and propriety – time and commitment</i>		Comments/Answers
1.	How many boards are you sitting on presently?	
2.	How much time and effort are you willing to devote to understand the Company better and its business objectives?	
3.	Are you prepared to participate in events outside the boardroom such as site visits in order to achieve the objectives of the Board?	

[The rest of this page is intentionally left blank]

Performance Period:

RP's Name & Position on Board:

Section B

[Part D below is not applicable to first time candidates for directorship]

Using the rating scale below, the RP to indicate a self-assessment of a demonstration of experience and competence by ticking the appropriate box:

1 = Not at all (Poor)

2 = Seldom (Below average)

3 = Most of the time (Average)

4 = Always (Above average)

<i>Part D : Self-assessment of fitness and propriety – experience and competence</i>		Rating				Comments
		1	2	3	4	
1.	Provides unique insight to issues presented and shares personal knowledge – has valuable skills and requisite knowledge and skills, and shares information.					
2.	Constructively challenges and contributes to the development of strategy.					
3.	Receives feedback from Board and/or committee and incorporates feedback obtained into decision-making process in an objective manner.					
4.	Defends own stand through constructive deliberations at Board and/or committee meetings, where necessary.					
5.	Takes initiative to demand for additional information or tests quality of information and assumptions, where necessary and follows up on areas of concern.					
6.	Offers practical and realistic advice to Board and/or committee discussions.					
7.	Tackles conflicts and takes part in proposing solutions.					

Performance Period:

RP's Name & Position on Board:

Part D : Self-assessment of fitness and propriety – experience and competence		Rating				Comments
		1	2	3	4	
8.	Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any.					
9.	Contributes to risk management initiatives.					
10.	Prioritises context of issues to be in line with objectives.					
11.	Probes management to ensure management has taken, and/or suggests management to take into consideration the varying opportunities and risks whilst developing strategic plan.					
12.	Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements.					

General Declaration of Integrity by RP:-

I, [TO INSERT RP NAME], [TO INSERT POSITION ON THE BOARD], declare that the information provided in this declaration (including any attachments) is true, complete and correct as to the best of my knowledge. I further authorize the Company to conduct background check, if necessary for the purpose of my appointment/re-appointment* as a Director of the Company.

Signature : _____

Date : _____