



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	01
Document Title	DIRECTORS' FIT AND PROPER POLICY	Revision No.	
ISO & OHSAS Element		Issue Date	30 Nov 2022
Procedure Number		Page	Page 1 of 8

GROUP COMPANY SECRETARIAL POLICY & PROCEDURES
DIRECTORS' FIT AND PROPER POLICY

REVISION RECORD

Issue Number	Revision Number	Description	Date
01	-	Issue For Implementation	30 Nov 2022

This document has been approved and authorised by the appropriate authority whose signature appears below:

	Prepared by	Recommended by	Approved by
Signature	Signed	Signed	Signed
Designation	Group Company Secretary	Chairman of Nominating and Remuneration Committee ("NRC")	Board of Directors
Date	30 November 2022	30 November 2022	30 November 2022 Board of Directors' Meeting No. 4/2022 (FY6/2022)

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Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	01
Document Title	DIRECTORS' FIT AND PROPER POLICY	Revision No.	
ISO & OHSAS Element		Issue Date	30 Nov 2022
Procedure Number		Page	Page 2 of 8

TABLE OF CONTENTS

PAGE

1.0 REFERENCE, DEFINITION AND COMPLIANCE.....	3
2.0 PURPOSE.....	4
3.0 FIT AND PROPER CRITERIA.....	4-6
4.0 ASSESSMENT AND APPLICATION	7-8
5.0 APPLICATION OF THE FIT AND PROPER ASSESSMENT TO THE BOARD'S REPRESENTATIVES IN THE SUBSIDIARIES.....	8
6.0 REVIEW OF THE POLICY.....	8



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	01
Document Title	DIRECTORS' FIT AND PROPER POLICY	Revision No.	
ISO & OHSAS Element		Issue Date	30 Nov 2022
Procedure Number		Page	Page 3 of 8

1.0 REFERENCE

This Policy should be read together with the following legislation/documents:

- a) Constitution of the Company
- b) Companies Act, 2016 ("**CA 2016**")
- c) Capital Markets and Services Act 2007
- d) Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**")
- e) Malaysian Code on Corporate Governance (as at 28 April 2021) ("**MCCG**")
- f) Bursa Malaysia Corporate Governance Guide (4th Edition) ("**Bursa CG Guide**");
- g) Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries by Securities Commission Malaysia ("**SC Guidelines**")
- h) Board Charter and Terms of Reference ("**TOR**") of Board Committees
- i) Relevant shareholders' agreements and related agreements

DEFINITION

- | | |
|------------------------|--|
| a) Ranhill/the Company | Ranhill Utilities Berhad and Group |
| b) NRC | Nominating and Remuneration Committee |
| c) Board | Board of Directors of Ranhill and subsidiaries |

COMPLIANCE WITH THE APPLICABLE LAWS

In formulating this Policy, the Company is obliged to comply with the requirements contained in the Constitution, CA 2016, MMLR and other applicable rules and regulations at the prevailing country, as they now exist or may hereafter be amended, to ensure compliance with the obligations imposed. For avoidance of doubt, should there be any changes to those requirements which will materially affect the purpose and/or implementation of this Policy, the Board shall endeavour to amend the Policy to be consistent with such amendment(s) to give effect to the purpose of this Policy.



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	01
Document Title	DIRECTORS' FIT AND PROPER POLICY	Revision No.	
ISO & OHSAS Element		Issue Date	30 Nov 2022
Procedure Number		Page	Page 4 of 8

2.0 PURPOSE

This Policy sets out Ranhill Utilities Berhad (“**Ranhill**”/“**the Company**”)’s Directors’ Fit and Proper Policy (“**the Policy**”) relating to the appointment and re-appointment/re-election of Directors of Ranhill to ensure that each of the Directors has the requisite criteria and qualities to effectively discharge their duties and responsibilities as a Director of Ranhill.¹ This Policy is to comply with Paragraph 15.01A² of the MMLR.

This Policy will address the Board quality and integrity for the appointment and re-appointment/re-election of Directors of Ranhill. Under Paragraph 2.20A of the MMLR, each of the Directors and key senior management of the Company shall have the character, integrity, experience, competence, and time to discharge their duties and responsibilities effectively.

The Policy has provided the general criteria³ that form the overarching criteria in relation to the Policy as are outlined below:

- a) Character and integrity;
- b) Experience and competence; and
- c) Time and commitment.

The Policy serves as guidance to the NRC and Board of Ranhill in their review and assessment of any person identified to be appointed as Director as well as the existing Director who is seeking for re-appointment/re-election at the general meetings of the Company.³

3.0 FIT AND PROPER CRITERIA³

In assessing if a Director meets the criteria under this Policy, the NRC and the Board should consider factors that include but are not limited to the following:-

(a) Character and Integrity;

(i) Probity

- Compliant with the legal obligations, regulatory requirements, and professional standards, where applicable;
- Has not been obstructive, misleading, or untruthful in dealings with regulatory bodies or a court of law.

¹ Paragraph 2.20A of the MMLR and Section 213 of the CA, 2016.

² Listed issuer must have a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries, ensure that the policy addresses board quality and integrity and will aid the listed issuer to comply with Paragraph 2.20A of the MMLR. The policy is required to be made available on the listed issuer’s website.

³ Bursa CG Guide.



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	01
Document Title	DIRECTORS' FIT AND PROPER POLICY	Revision No.	
ISO & OHSAS Element		Issue Date	30 Nov 2022
Procedure Number		Page	Page 5 of 8

(ii) **Personal Integrity**

- Has not perpetrated or participated in any business practices that are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on their professional conduct;
- Service contract (i.e. in the capacity of management or as a director) had not been terminated in the past due to concerns about their personal integrity;
- Has not abused other positions held previously in a manner that contravenes the principles of good governance.

(iii) **Financial Integrity**

- Manages personal debts or financial affairs satisfactorily;
- Demonstrates the ability to fulfill personal financial obligations as and when they fall due.

(iv) **Reputation**

- 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.

(b) Experience and competence:

(i) **Qualifications, training, and skills**

- Possesses education qualification that is relevant to the skill set that such director is earmarked to bring onto the boardroom (i.e. a match to the Board skill set matrix);
- Has a considerable understanding of the workings of a corporation;
- Possesses general management skills as well as an understanding of corporate governance, and appreciation of 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 the past length of service, nature, and size of business, responsibilities



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	01
Document Title	DIRECTORS' FIT AND PROPER POLICY	Revision No.	
ISO & OHSAS Element		Issue Date	30 Nov 2022
Procedure Number		Page	Page 6 of 8

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 relevant organizations, 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 assessment.

(c) Time and commitment

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

- Able to devote time as a Board member, having factored in other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including not-for-profit organizations).

(ii) **Participation and contribution to the Board or track record**

- Demonstrates a willingness to participate actively in board activities;
- Demonstrates a willingness to devote time and effort to understanding the business and exemplifies readiness to participate in events outside the boardroom;
- Manifests passion in the vocation of a director;
- Exhibits the ability to articulate view independently, objectively, and constructively;
- Exhibits open-mindedness to the views of others and the ability to make a considered judgment after hearing the views of others.

In determining whether a person meets the fit and proper criteria, failure to meet one or more of the above indicators may not, on its own, necessarily mean failure to meet the fit and proper criteria. The NRC and/or the Board should consider the specific circumstances surrounding a person's failure to meet specific criteria, including the lapse of time since the occurrence of events and the significance of the event from the perspective of potential risks posed to Ranhill. It is paramount that the assessment of the directors are always done in the Best interest of Ranhill and would not be detrimental to the business or reputation of Ranhill and Group. For avoidance of doubt, circumstances which warrant and the person to be considered as fit and proper may differ between positions and companies.



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	01
Document Title	DIRECTORS' FIT AND PROPER POLICY	Revision No.	
ISO & OHSAS Element		Issue Date	30 Nov 2022
Procedure Number		Page	Page 7 of 8

4.0 ASSESSMENT AND APPLICATION

4.1 The fit and proper assessment of the Director will be conducted in the following manner:-

Type of appointment	Method
Appointment (New)	<ul style="list-style-type: none"> The Director is required to complete a self-declaration of fit and proper form (Director's Declaration Fit and Proper) and Questionnaire which are based on the criteria as set out in item 2 above or such other form as NRC from time to time prescribes or approves; The Company may also make reasonable inquiries and obtain relevant information, such as, but not limited to, the qualifications and attainments, curriculum vitae, referrals, reports, other material background checks, and any other publicly available information that is relevant. The Director is required to comply with the prescribed declaration and undertaking under the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), Securities Commission and any other requirements by relevant regulators, government bodies, etc.
Re-appointment	<ul style="list-style-type: none"> The Director is required to complete a self-declaration of fit and proper form (Director's Declaration Fit and Proper) based on the criteria as set out in item 2 above or such other form as NRC from time to time prescribes or approves.
<ul style="list-style-type: none"> Where necessary, the NRC and/or the Board may perform the additional assessment as it deems fit to complement the above assessment. 	

4.2 Notwithstanding the above, all Directors of Ranhill are required to complete an annual performance assessment as part of the Board Annual Evaluation ("**BAE**") as required by Bursa and MCGG. The results from the BAE may be used by the NRC and/or the Board as an additional assessment to complement the fit and proper criteria assessment.



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	01
Document Title	DIRECTORS' FIT AND PROPER POLICY	Revision No.	
ISO & OHSAS Element		Issue Date	30 Nov 2022
Procedure Number		Page	Page 8 of 8

4.3 The results of the assessment will form a basis for NRC and/or Board in recommending the appointment of a Director on the Board or re-appointment of a Director for shareholders' approval.

4.4 The results of the assessment are the Company's internal documents and shall not be disclosed or provided to any other party without the consent of the said Director.

4.5 In facilitating the conduct of the assessment, NRC may require the assistance of the Company Secretary or any other persons as NRC thinks fit.

5.0 APPLICATION OF THE FIT AND PROPER ASSESSMENT TO THE BOARD'S REPRESENTATIVES IN THE SUBSIDIARIES

5.1. Representatives from senior management of Ranhill may from time to time be nominated by Ranhill to be appointed as directors of subsidiaries of Ranhill. These senior management personnel would have undergone background checks prior to their employment and the said background checks may be used by the Board of Directors of the subsidiaries in assessing the fit and proper criteria of those personnel.

5.2 Where the subsidiaries are jointly owned by another shareholder, a nominee director of another shareholder will be subjected to the assessment by the Board of Directors of the respective subsidiaries.

5.3 All directors of subsidiaries must not be disqualified from acting as a director pursuant to prevailing laws or regulations of the jurisdiction of the subsidiary.

6.0 REVIEW OF THE POLICY

6.1 The NRC shall recommend any change to the Policy as the NRC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed, and updated where necessary i.e. when there are changes to the relevant legislations, MMLR, MCCG, or any other regulatory requirements.

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