



**PECCA GROUP BERHAD**  
Registration No. 201001025617 (909531-D)

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**DIRECTORS’  
FIT AND PROPER POLICY**

## Contents

	Page
1. Introduction	1
2. Objective	1
3. Scope	1
4. Fit and proper criteria	1
5. Responsibilities of the Board, NC and RC	3
6. Assessment	4
7. Review of the Policy	4

## 1. Introduction

Pecca Group Berhad (“**Pecca**” or the “**Company**”) and its subsidiary companies (collectively referred to as “**the Group**”) have adopted the Directors’ Fit and Proper Policy (“**Policy**”). The Group recognises the importance of having good governance and making the objective, transparent and diversity-conscious decisions in the appointments of Board leadership positions and key senior management positions i.e. the Chief Executive Officer and Chief Financial Officer in the dynamic business environment to ensure an agile, responsive and business-focused manner.

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code of Corporate Governance issued by the Securities Commission Malaysia on 28 April 2021 and other applicable rules and regulations, the Group is committed to adopting the best practices in corporate governance.

## 2. Objective

The Policy is designed :-

- To guide the Board, the Nomination Committee (“**NC**”), the Remuneration Committee (“**RC**”) and the Group Managing Director in establishing a set of formal and transparent fit and proper criteria for the appointment and re-election of directors to the Board of Directors of Pecca (“**Board**”) and the key senior management in the Group.
- To guide the Board, the NC, the RC in the assessment and evaluation of the following:-
  - (a) Any candidate identified to be appointed as a new director to the Board;
  - (b) Any existing director who is seeking for re-election; or
  - (c) Whenever the Company becomes aware of any information that may materially compromise the fitness and appropriateness of the director or key senior management personnel of the Group.

The Group aims to achieve a team of high calibre and performance, knowledgeable and dedicated board members and key senior management regardless the ethnicity, gender, age with relevant merits, experience, competencies, professionalism, integrity and capability to perform.

## 3. Scope

This Policy applies to the Board members and the key senior management of the Group.

## 4. Fit and proper criteria

The considerations underpinning the “fit and proper” criteria include but not limited to the following:-

### 4.1 Character and integrity

- i. Probity
  - Has compliant with legal obligations, regulatory requirements and professional standards;

- Has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.
- ii. Personal integrity
- 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;
  - The service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity;
  - 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
- Has manages personal debts or financial affairs satisfactorily;
  - Has demonstrated ability to fulfil personal financial obligations as and when they fall due.
- iv. Reputation
- Has a good reputation 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.

#### 4.2 Experience and competency

- i. Qualifications, trainings and skills
- Has possesses education qualification, appropriately trained with the right skills, knowledge, expertise, professionalism and commitment to effectively carry out the roles and responsibilities.
  - Has a considerable understanding on the business and workings of a corporation;
  - Possesses general management skills and good understanding of corporate governance and sustainability issues;
  - Has keeps abreast with current professional development and compliance requirements;
  - Has possesses leadership capabilities and a high level of emotional intelligence.

- ii. Relevant experience and expertise
  - Has possesses relevant experience and expertise with due consideration given to the past length of services, nature and responsibilities held in a comparable organisation and number of subordinates as well as reporting lines and delegated authorities.
- iii. Relevant past performance or track record
  - Has or had a career of occupying a high-level position in an equivalent organization, and was accountable for driving or leading the organization's governance, business performance or operations;
  - Has possesses a commendable past performance record as gathered from the results of the board effectiveness evaluation.

#### 4.3 Time and commitment

- i. Ability to discharge role having regard to other commitments
  - Is able to devote time as a board member, having factored other outside obligations including concurrent management and/ or board positions held by the director across other public listed companies and non-listed companies (including not-for-profit organisations).
- ii. Participation and contribution to the board or track record
  - Has demonstrated a willingness to participate actively in board activities;
  - Has demonstrated a willingness to devote time and effort to understanding the businesses and exemplifies readiness to participate in events outside the boardroom;
  - Has manifested passion in the vocation of a director;
  - Has exhibited the ability to articulate views independently, objectively and constructively;
  - Has exhibited open-mindedness to the views of others and the ability to make a considered judgment after hearing the views of others.

### **5. Responsibilities of the Board, NC and RC**

The Board, NC and RC shall be directly responsible for conducting assessments on the fitness and propriety of the directors and the key senior management and making decisions on their appointments that outlined in clause 4 above.

These considerations should be periodically assessed and reviewed to ensure their relevance and alignment with the organisation's requirements and structure.

## **6. Assessment**

The NC will assess and recommend to the Board for each director and key senior management prior to initial appointments, re-election/ re-appointment and at regular intervals of at least annually or whenever the Company becomes aware of information that may materially compromise the fitness and propriety of the directors and key senior management based on the criteria set under clause 4.

Independent check and assessment of the candidate shall be based on publicly available information and forms part of the process in determining the suitability of the person who has been identified for appointment as director and key senior management.

The information gathered from the assessments shall be strictly used by NC, RC and the Board, for the purpose of the assessment and not for public disclosure.

The assessment process will involve a good measure of judgement which should be exercised objectively and in the best interest of the Group. The Group should consider that information relevant to such assessment may vary depending on the degree of the position held and responsibilities in the affairs of the Group.

## **7. Review of the Policy**

The terms of this Policy shall be reviewed and updated from time to time to ensure they are relevant and in line with the requirements of the Main Market Listing Requirements, Malaysian Code on Corporate Governance, and all other applicable laws and regulatory requirements and guidelines enforced at the time being.

This Policy is available on the Group's website at <https://www.peccaleather.com/investor-relations.php>.