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# EVD BERHAD

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## FIT AND PROPER POLICY



**EVD BERHAD**

Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200  
Kuala Lumpur, W.P. Kuala Lumpur, Malaysia

**EVD Berhad**  
**(Registration No. 201901045325 (1354655-D))**

Fit and Proper Policy

**Table of Contents**

<b>No.</b>	<b>Subject</b>	<b>Page No.</b>
1.	Introduction	2
2.	Criteria and Assessment	2-4
	2.1 Probity, Personal Integrity, and Reputation	
	2.2 Competence and Capability	
	2.3 Financial Integrity	
3.	Review of the Policy	4
4.	Appendix A: Declaration of Fit and Proper Form	5-6

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## Fit and Proper Policy

### **1. Introduction**

The Fit and Proper Policy (“Policy”) serves to guide the Nomination Committee (“NC”) and the Board of Directors of the Company (“Board”) and its subsidiaries (“Group”) boards in their review and assessment of the fitness and suitability of any person to be appointed as or elected to be a key responsible person of the Company and its subsidiaries (“Group”).

The key responsible persons in this Policy refer to key persons that are accountable or responsible for the strategic management and oversight of the Group. These comprise the board of directors and key management officers<sup>1</sup> of the Group.

The Board and NC may delegate the responsibility for fit and proper assessments and appointments of key management officers of the Group to the Chief Executive Officer of the Company. The Board and NC shall remain accountable for such assessments and decisions.

A person acting as a key responsible person<sup>2</sup> is required to possess the character, experience, integrity, competence and commitment of time to effectively discharge his/her respective roles which includes diligence, honesty, integrity and judgement to perform properly the duties of that position, in tandem with good corporate governance and relevant sustainability, environmental, social and governance (“ESG”) practices. Accordingly, the Group must prudently manage the risk to its business or financial standing that the key responsible person positions are filled by fit and proper persons.

### **2. Criteria and Assessment**

To establish whether a person is fit and proper to hold a key responsible person position, the Company shall have regard to the person’s:

- i. Probity, personal integrity, reputation and financial integrity;
- ii. Experience and competency; and
- iii. Time and commitment.

In determining whether a person meets the fit and proper requirements, the considerations as set out below should be assessed individually (according to their relative importance) as well as on a cumulative basis. Failure to meet one indicator may not, on its own, necessarily mean failure to meet the fit and proper criteria. The Group shall consider the specific circumstances surrounding a person’s failure to meet specific indicators, including the lapse of time since the occurrence of events and the significance of the event from the perspective of potential risks posed to the Group.

#### **2.1 Probity, personal integrity, reputation and financial integrity**

The key responsible persons must have personal qualities such as honesty, integrity, trustworthiness, diligence, independence of mind and fairness. These qualities are demonstrated over time and demand a disciplined and on-going commitment to high ethical standards.

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<sup>1</sup> Refers to C-Suite Senior Management Officers.

<sup>2</sup> Refers to the board of directors and the key management officers.

# **EVD Berhad**

**(Registration No. 201901045325 (1354655-D))**

## **Fit and Proper Policy**

In assessing a person's probity, personal integrity, reputation and financial integrity to hold a position of a key responsible person, the NC should consider matters including, but not limited to the following:

- i. whether the person is or has been compliant with the legal obligations, regulatory requirements, and professional standards;
- ii. whether the person is or has been obstructive, misleading, or untruthful in dealing with regulatory bodies or courts;
- iii. whether the person has perpetrated or participated in any business practices that are deceitful, oppressive improper (unlawful), or otherwise reflect discredit on his professional conduct;
- iv. whether the past service contract (i.e. in the capacity of management or director) of the person had been terminated due to concerns about personal integrity;
- v. whether the person has abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance; ;
- vi. whether the person has substantially been involved in managing a business or company that has failed, where management deficiencies occasioned that failure;
- vii. whether the person is of good repute in the society, financial and business community and has not been the subject of civil or criminal proceedings or enforcement action in the past 10 years while managing or governing an entity either in Malaysia or elsewhere; and
- viii. whether the person is financially healthy, is not an undischarged bankrupt or been a subject of a judgement debt which has not been satisfied in whole or in part and demonstrates the ability to fulfil personal financial obligations as and when they fall due, whether in Malaysia or elsewhere

### **2.2 Experience and Competency**

Experience and competency are demonstrated by a person who has the relevant knowledge, experience and ability, to understand the technical requirements of the business, the inherent risks and the management process required to carry out the role in the relevant capacity effectively.

In assessing a person's experience and competency, the NC should consider matters including, but not limited to the following:

- i. whether the person has demonstrated, through appropriate education qualification, management and leadership skills, a high level of emotional intelligence, practical experience, training and commitment to understand the workings of a corporation to effectively fulfil the role and responsibilities of the position and in the case of directors for better corporate governance.
  - ii. whether the person has a sound knowledge of the business or has expertise and/or had experience in leading or driving an organisation's environmental, social and governance including sustainability matters relevant to the business with past business performance or operations having a good track record gathered from board effectiveness evaluation; and
- whether the person keeps knowledge current based on continuous professional development.

# **EVD Berhad**

**(Registration No. 201901045325 (1354655-D))**

## Fit and Proper Policy

### **2.3 Time and Commitment**

Time and commitment can be demonstrated by a person who effectively meets the demands and expectations of the relevant role and position in terms of his/her time and commitment.

In assessing a person's time and commitment, the NC must consider factors which include, but are not limited to the following:

- i. whether the person has the ability to discharge the role and responsibility of the position, has the passion as a director and exhibits actively the ability to articulate views independently, objectively and constructively in board meetings;
- ii. whether the person has been and will be able to devote the required time to understand the business and attend professional training to keep updated, considering outside commitments including concurrent board positions and is able to make the effort to serve the role including exemplifying readiness to participate in events outside the boardroom; and
- iii. whether the person exhibits open mindedness to the views of others and can make a considered judgement after hearing the views of others.

### **3. Review of the Policy**

This Policy shall be reviewed by the NC periodically, where necessary, in accordance with the needs of the Company and if there are any new regulations that may impact the appointment and re-election of the key responsible persons. The NC will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

### **4. Disclosure of this Policy**

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

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Approved and adopted by the Board of Directors on 18.08.2022.

# EVD Berhad

(Registration No. 201901045325 (1354655-D))

## Fit and Proper Policy

### Appendix A: Declaration of Fit and Proper Form

I, \_\_\_\_\_ NRIC/Passport No.: \_\_\_\_\_ of

\_\_\_\_\_ [Address] solemnly and sincerely affirm and declare the following:

<b>A. Probity, Personal Integrity, and Reputation</b>			
No.	Criteria	YES	NO
1.	I have been compliant with the legal obligations, regulatory requirements, and professional standards.		
2.	I have not been obstructive, misleading, or untruthful in dealing with regulatory bodies or courts.		
3.	I have not perpetrated or participated in any business practices that are deceitful, oppressive improper (unlawful), or otherwise reflect discredit on his professional conduct.		
4.	My past service contract (i.e., in the capacity of management or director) has not been terminated due to concerns about personal integrity.		
5.	I have 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.		
6.	I'm of good reputation in the financial and business community.		
7.	I have not been the subject of civil or criminal proceedings or enforcement action in managing or governing an entity for the past five (5) years.		
8.	I have not been substantially involved in managing a business or a company that has failed, where management deficiencies occasioned that failure.		
<b>B. Financial Integrity</b>			
1.	I have been and will be able to fulfil my financial obligations, whether in Malaysia or elsewhere, as and when they fall due.		
2.	To my best knowledge, I have not been the subject of any judgement debt which remains unsatisfied, either in whole or in part, in any jurisdiction.		
3.	I have not made arrangements with creditors, filed for bankruptcy, been adjudicated a bankrupt, or had assets sequestered in any jurisdiction.		

# EVD Berhad

(Registration No. 201901045325 (1354655-D))

Fit and Proper Policy

Where you have ticked 'NO', please explain and/or provide the relevant documents.

No.	Explanation

Kindly submit the mandatory and supporting documents for assessment purposes.

No.	Documents	Remark
1.	Profile (Mandatory)	
2.	Curriculum vitae (Mandatory)	
3.	Director's Key Management Personnel's Particulars Form (Mandatory)	
4.	Independent Director's Self-Assessment Form (if applicable)	

I confirm that the facts and information stated in this declaration are true.

Signed by: ..... (Key Responsible Person making the declaration)

Name:

NRIC/Passport No.:

Date of Declaration:

In the presence of .....

Name:

Date