



**PARAGON GLOBE BERHAD**

**百丽环球**

194801000095 (1713-A)

## **FIT AND PROPER POLICY**

**(VERSION 1.0)**

**APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY ON 1 JULY 2022**

**TABLE OF CONTENT**

1.	INTRODUCTION	3
2.	DUTIES AND RESPONSIBILITIES	3
3.	REVIEW AND ASSESSMENT	3
4.	FIT AND PROPER CRITERIA	4
5.	REVIEW AND APPROVAL OF THIS POLICY	7
APPENDIX 1: PROSPECTIVE DIRECTORS INFORMATION FORM		8

## 1. INTRODUCTION

The Board of Directors (“the Board”) of Paragon Globe Berhad (“the Company”) believes that it is in the best interest of the Company, its subsidiaries and its stakeholders that its Directors are with required character, experience, integrity, competence and time to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Company and its subsidiaries (“the Group”). The scope of the Fit and Proper Policy applied to the existing Directors of the Group seeking for re-appointment or candidates for nomination or appointment as a Director of the Group (exclude the Directors appointed by other shareholders of the subsidiaries).

This Fit and Proper Policy is formed part of “**POLICY AND PROCEDURES ON NOMINATION AND APPOINTMENT OF DIRECTOR AND RE-APPOINTMENT OF DIRECTOR**” established and approved by the Board.

## 2. DUTIES AND RESPONSIBILITIES

### i. The Board

In this regard, the Board is ultimately responsible for ensuring that all existing Directors of the Group seeking for re-appointment or candidates for nomination or appointment as a Director of the Group fulfils fit and proper requirements and for conducting assessments of the fitness and propriety of Directors of the Group.

### ii. Nominating Committee (“NC”)

The Board delegates the duty to perform fit and proper assessment on existing Directors of the Group seeking for re-appointment or candidates for nomination or appointment as a Director of the Group to the NC based on the fit and proper criteria as tabulated in **Section 4 – Fit and Proper Criteria** and making recommendations to the Board on these matters for its review and decision.

### iii. Company Secretary

NC is assisted by the Company Secretary to ensure the completeness of the appropriate fit and proper assessments based on prescribed form and checklist together with relevant supporting documents are carried out at appropriate point of time as per **Section 3 – Review and Assessment**. Company Secretary has to minute the review and deliberation of results of fit and proper assessment of the existing Director or the candidate, as applicable, and recommendation by NC during the meeting of NC and the Board’s decision on the appointment and re-appointment.

### 3. REVIEW AND ASSESSMENT

A properly constituted and duly minuted meeting of the NC and the Board shall be held for the purpose of fit and proper assessment of the existing Director or the candidate, as applicable, in the following manner:

i. For Re-Appointment of Existing Directors of the Group

- the Directors will be assessed and evaluated individually by the Board based on fit and proper criteria, at minimum as tabulated in **Section 4 – Fit and Proper Criteria**.

Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The NC should consider the specific circumstances surrounding a person's failure to meet specific factors, including 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.

The NC has the power not to recommend to the Board the re-appointment of retiring Directors of the Group who do not meet the policy requirements.

ii. For Appointment of New Directors of the Group

- the potential candidates will be required to complete "Prospective Directors Information Form" which including a self-declaration of fit and proper form. A sample "**Prospective Directors Information Form**" can be found in the Appendix 1 of this Policy.

The information gathered from the assessments shall be for the NC's strict use for the purpose of the assessment to the Board and not for public disclosure.

### 4. FIT AND PROPER CRITERIA

For the purpose of establishing whether a person is fit and proper to hold act as a Director of the Group (exclude the Directors appointed by other shareholders of the subsidiaries), the NC and the Board shall have regard to the person's:

- Probity, personal integrity and reputation** - person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness, professional standard and is of a good repute in the financial and business community.
- Financial integrity** - person must manage his/her debts or financial affairs prudently and demonstrates ability to fulfil personal financial obligations as and when they fall due.
- Experience and competence** - person must have the necessary skills, knowledge, experience, expertise, ability and commitment to carry out the role and to understand the requirements of the business and risk to perform his/her role.
- Time and commitment** – person must devote sufficient time, effort and commitment to discharge his/her roles and responsibilities as member of the Board or the Board Committee (as the case may be) and must participate actively and contribute constructively during the Board's proceedings and Board Committee's proceedings (as the case may be).

**i. Probity, personal integrity and reputation**

In assessing a person's level of probity, integrity and reputation to hold the office of Director in the Group (exclude the Directors appointed by other shareholders of the subsidiaries), the NC and the Board should consider matters including, but not limited, to the followings that whether:

- a) the person is or has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
- b) the person is or has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving including but not limited to bribery, fraud or dishonesty or where the conviction involved a finding that he/she acted fraudulently or dishonestly;
- c) the person is or has been convicted of any proceedings by a court of law of an offence under the securities laws or the corporations laws of Malaysia;
- d) the person has contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;
- e) the person has contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;
- f) the person has been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his/her professional conduct; and
- g) the person is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his/her judgement when acting in the capacity of a Director of the Group.

**ii. Financial integrity**

Financial integrity is demonstrated by a person who manages his/her own financial affairs properly and prudently.

In assessing a person's financial integrity, the NC and the Board must consider all relevant factors, including but not limited to the following: -

- (i) whether the person has been and will be able to fulfil his/her financial obligations, whether in Malaysia or elsewhere, as and when they fall due.

The fact that a person may be of limited financial means does not in itself, affect the person's ability to satisfy the financial integrity criteria.

### iii. Experience and competence

Experience and competence are demonstrated by a person who possesses the relevant competence, experience and ability, by virtue of his/her expected specific contribution/subject expert, role and responsibilities as a member of the Board of Directors or member of the Board Committees of the Group (as applicable), to understand the requirements of real property industry and business of the Group (as applicable), the requirements of relevant laws and regulations of the Group (as applicable), the requirements of auditing, accounting and corporate governance, responsibilities as Directors in relevant jurisdictions, the risk relevant to the real property industry and business of the Group (as applicable) and the internal control system relevant to the real property industry and business of the Group (as applicable).

In assessing a person's competence and capability, the NC and the Board should consider matters including, but not limited to the following: -

- (a) whether the person has the appropriate and relevant qualification, training, skills, practical and experience to effectively fulfil the role and responsibilities as a Director of the Group (as applicable), by virtue of his/her expected specific contribution/subject expert, his/her role and responsibilities as a member of the Board of Directors or member of the Board Committees of the Group (as applicable); and

In this regard, the person must possess necessary **skills and experience, qualification and functional/technical expertise and trainings** in any of the following areas, by virtue of his/her expected specific contribution/subject expert, his/her role and responsibilities as a member of the Board of Directors or member of the Board Committees of the Group (as applicable):

- Real property
  - Sales and Marketing
  - Business administration
  - Laws and regulations
  - Finance and Accounting
  - Corporation and capital market laws and regulations
  - Corporate governance
  - Economic, Environment and Social
  - Any other relevant qualification and expertise
  - Any other industry (upstream or downstream or supporting industries)
- (b) necessary knowledge and skill to read and understand financial reports prepared for the Company and its subsidiaries (as the case maybe) and be able to relate the information in relation to the accounting policies adopted, business operations, business performance, financial conditions, changes in risk profile, internal and/or external business context to the information presented in such financial reports.

(c) necessary **past experience** in any of the following aspect, by virtue of his/her expected specific contribution/subject expert, his/her role and responsibilities as a member of the Board of Directors or member of the Board Committees of the Group (as applicable):

- a past or current Director/senior executive in real property industry for at least 5 years
- a past or current Director/senior executive in a public company or reputable privately held entity for at least 5 years
- a past or current partner/senior executive in recognised or reputable audit firm or professional accounting/consulting/advisory/legal firm or entity for at least 5 years
- a past or current senior executive at an educational institution or senior faculty position in an area of study important or relevant to the Group (as applicable) for at least 5 years
- a past senior government personnel for an industry that is relevant to the Company or its subsidiaries (as applicable) for at least 5 years
- at least 5 years working experience at Key Senior Management level in real property and construction industry

#### **iv. Time and commitment**

In order for the Director of the Group to effectively and diligently discharge his/her roles and responsibilities, it is critical that such person can spend reasonable amount of time and effort to meet the demand and expectations of such roles and responsibilities and is not “over-stretch”.

NC and the Board will take into consideration the following ability of a person to be appointed or re-appointed as Director of the Group (exclude the Directors appointed by other shareholders of the subsidiaries):

##### **i. ability to discharge role having regard to other commitments**

- 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**

- demonstrates willingness to participate actively in Board's activities
- demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom
- manifests passion in the vocation of a Director
- exhibits ability to articulate views independently, objectively and constructively
- exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others

For re-appointment as Director, NC and the Board will take into consideration satisfactory results of the performance of such Director seeking for re-appointment on his/her participation (including his/her attendance at the meetings of the Board and Board Committee since the appointment or last re-appointment) and contribution during the Board and Board Committee proceedings.

## **5. REVIEW AND APPROVAL OF THIS POLICY**

This Policy was reviewed and adopted by the Board on 1 July 2022.

The NC shall recommend any change to the Policy as the NC deems appropriate to the Board for approval. The terms of the Policy shall be reviewed at least once for every three (3) years and updated where necessary i.e when there are changes to the Malaysian Code of Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.

**APPENDIX 1**

**PARAGON GLOBE BERHAD**

**(REGISTRATION NO: 194801000095 (1713-A))**

**PROSPECTIVE DIRECTORS INFORMATION FORM**

**STRICTLY CONFIDENTIAL**

**Part A: Personal Details**

1	Full Name	
2	Date of Birth	
3	NRIC No / Passport No	
4	Citizenship	
5	Permanent Address	
6.	Correspondence Address (if different from above)	
7	Telephone No	
8	Email Address	

**Part B: Education Background and Work Experience**

No	Questions	Answer
1	Educational Qualification (List all chronologically from the latest qualification)	
2	Work Experience (List all chronologically from the latest experience to the last)  (Please use separate paper if required)	
3	What do you consider to be your core area(s) of expertise?	

**Part C: Directorship**

1	List of Current and Past Directorship  (Please use separate paper if required)	
---	--	--

**Part D: Declaration**

No	Questions	Yes	No
1	Do you have any relationship with any Directors in PGB and its subsidiaries?		
		If yes, please state details:	
2	Do you have any interest, both direct and indirect in PGB and its subsidiaries?		
		If yes, please state details:	
3	Do you have any relatives currently working in PGB and its subsidiaries?		
		If yes, please state details:	

		YES	NO
<b>4. Probity, Personal Integrity and Reputation</b>			
(i)	whether you are or have been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation?		
(ii)	whether you are or have been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving including but not limited to bribery, fraud or dishonesty or where the conviction involved a finding that he/she acted fraudulently or dishonestly?		
(iii)	whether you are or have been convicted by a court of law of an offence under the securities laws or the corporation's laws of Malaysia?		
(iv)	whether you have contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice?		
(v)	whether you are or have contravened any of the requirements and standards of a regulatory body professional body, government or its agencies?		
(vi)	whether you have been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his/her professional conduct?		
(vii)	whether you are free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of your judgement when acting in the capacity of a Director of the Group?		
(viii)	whether you undertake to inform the Chairman of the Board if the above declarations are no longer valid subsequent to the declaration of the above?		

<b>5. Financial Integrity</b>			
(i)	whether you have been and will be able to fulfil your financial obligations, whether in Malaysia or elsewhere, as and when they fall due;		
(ii)	whether you undertake to inform the Chairman of the Board if the above declarations are no longer valid subsequent to the declaration of the above.		

I, \_\_\_\_\_

NRIC No: \_\_\_\_\_

residing at \_\_\_\_\_

\_\_\_\_\_

do hereby solemnly affirm and declare the above responses are true and correct, as to the best of my knowledge. I undertake to notify the Chairman of the Board if the above declarations are no longer valid subsequent to the declaration of the above. I further authorise the Company to conduct background check, if necessary, which may consist of prior employment verification, professional reference checks, education confirmation, criminal record and/or credit checks for the purpose of my appointment as a Director of PGB.

I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

.....  
(Signature of Person making the declaration)

Name:

Date:

in the presence of

.....  
(Signature of Company Secretary)

Name:

Date:

**Due Diligence Checks**

		YES	NO	REMARKS
(i)	Education Background			
(ii)	Professional Body Membership/License			
(iii)	Working Experience			
(iv)	Credit Bureau Report			
(v)	SSM Search			
(vi)	Bankruptcy and winding up searches			



**PARAGON GLOBE BERHAD**

**百丽环球**

194801000095 (1713-A)

**Headquarter Address:**

No.10-02, Level 10, Grand Paragon Hotel, No.18, Jalan Harimau, Taman Century,  
80250 Johor Bahru, Johor

Tel: (+607) 278 6668 Fax: (+607) 278 6666

Email: [enquiry@pgbgroup.com.my](mailto:enquiry@pgbgroup.com.my)

Website: [www.pgbgroup.com.my](http://www.pgbgroup.com.my)

**KL Branch Address:**

No. 9, Lorong Gurney, Off Jalan Semarak, 54100 Kuala Lumpur.

Tel: (+603) 2691 2288 Fax: (+603) 2691 2228