



BINASAT COMMUNICATIONS BERHAD

Registration No. 201701008491 (1222656-D)

DIRECTORS' FIT AND PROPER POLICY

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DIRECTORS' FIT AND PROPER POLICY

1.0 DEFINITIONS

"Binasat" or "the Company"	:	Binasat Communications Berhad [Registration No. 201701008491 (1222656-D)]
"Board"	:	Board of Directors of Binasat
"NC"	:	Nomination Committee of Binasat
"Binasat 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 Directors' Fit and Proper Policy of the Group

2.0 PURPOSE

The purpose of this Policy is to set out the Group's approach to the assessment on the fitness and propriety of Responsible Persons to ensure that they have the character, experience, integrity, competence and commitment of time to effectively discharge their roles and responsibilities which include diligence, honesty and judgement to perform properly the duties of that position, in tandem with good corporate governance practices. This Policy is designed to be a risk treatment plan for the risks posed to the Company from having persons who are not fit and proper acting in a Responsible Person's position.

3.0 POLICY STATEMENT

With a view of achieving sustainable development, the Group is committed to the highest standard of integrity, openness, and accountability in the conduct of its businesses and operations. This Policy is intended to address the governance of the quality and integrity of the Responsible Persons.

4.0 RESPONSIBILITY

4.1 The Board's Commitment and Responsibility

In the application of this Policy, the Board and NC are primarily responsible in ensuring that all Responsible Persons fulfil the fit and proper criteria and requirements and in conducting assessment for fitness and propriety of the Responsible Persons. Ultimately, the Board will make all the final determination on their fitness and propriety.

4.2 The NC's Responsibility

The NC is responsible for the following:-

- (a) The assessment on existing directors or candidates for nomination or appointment as directors of the Company and make recommendations to the Board on these matters;

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- (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; and
- (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.

5.0 FIT AND PROPRIETY STANDARDS

The NC shall periodically propose potential/new candidates to the Board and for the assessment of all Responsible Persons, the NC 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 5.1, 5.2 and 5.3 of this Policy.

5.1 Fit and Proper Criteria

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

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

The assessment on the above criteria shall have regard to the considerations set out below in paragraphs 5.1.1 to 5.1.3 of this Policy.

5.1.1 Character and Integrity

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

Probity

- (a) whether the person has complied with legal obligations, regulatory requirements and professional standards, where applicable; and
- (b) whether the person had been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

Personal Integrity

- (a) whether the person has perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his/her professional conduct;

- (b) whether the person had been terminated (i.e in the capacity of management or as director), asked to resign or has resigned from the employment in the past due to personal integrity; and
- (c) whether the person had abused other positions (that he has held) in a manner that contravenes the principles of good governance.

Financial Integrity

- (a) whether the person manages personal debts or financial affairs satisfactorily;
- (b) whether the person demonstrates ability to fulfill personal financial obligations as and when they fall due;

Reputation

- (a) whether the person is of good repute in the financial and business community;
- (b) whether the person has been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- (c) whether the person has 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;
- (d) 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.

5.1.2 Experience and Competence

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

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

Qualifications, training and skills

- (a) whether the person has the appropriate qualifications and training that are relevant to the skillset that the director is earmarked to bring to the boardroom (i.e. match to the board's skill set matrix);
- (b) whether the person possesses general management skills as well as understanding of corporate governance and sustainability issues;

- (c) whether the persons keeps knowledge current based on continuous professional development; and
- (d) whether the person possesses management and leadership capabilities and high level of emotional intelligence.
- (e) whether the person has a considerable understanding of the workings of a corporation.

Relevant experience and expertise

- (a) whether the person possesses relevant experience and expertise with due consideration given to the length of past service, nature and size of businesses, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

Relevant past performance or track record

- (a) whether the person had a career of occupying a high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations; and
- (b) whether the person possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

5.1.3 Time and Commitment

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

Ability to discharge role having regard to other commitments

- (a) whether the person is able to devote sufficient time as a board member, having factored other external obligations including concurrent board positions held by the director across the company and other listed or non-listed companies (including not-for-profit organisation);
- (b) 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; and
- (c) whether the person exhibits open mindedness to the views of others and can make a considered judgement after hearing the views of others.

Participation and contribution in the board or track record


- (a) whether the person demonstrates a willingness to devote time and effort to understand the businesses, as well as participate actively in board activities;

- (b) whether the person manifests passion in the vocation of a director;
- (c) whether the person exhibits the ability to articulate views independently, objectively and constructively; and
- (d) whether the person exhibits open-mindedness to the views of others and the ability to make a considered judgement after hearing the views of others.

6.0 ASSESSMENT PROCESS

6.1 ASSESSMENT PROCESS

The process for assessing the fitness and propriety of the Responsible Persons entails the following steps:

	Appointment of New Director	Existing Director
	<ul style="list-style-type: none"> - Identification of skills applicable/required for new candidates; - Selection of candidates*; <p>*The NC will seek professional advice from independent search firms as and when it considers necessary to identify and short-list suitable candidates and a list of nomination for candidates proposed by the Chief Executive; and within the bounds of practicability, by any other director or shareholder for consideration.</p>	<ul style="list-style-type: none"> - Re-appointment and/or evaluation of existing directors, as the case maybe;
	<ul style="list-style-type: none"> - "Fit and Proper" assessment by the NC based on the criteria in paragraph 5 above; 	
	<ul style="list-style-type: none"> - The NC's evaluation, deliberation and confirmation that the Responsible Person is fit and proper for the Board and the Group's purposes as per Appendix A; - Recommendation by NC for the Board's approval; and 	
	<ul style="list-style-type: none"> - Interaction with the new candidate(s), if required; 	<ul style="list-style-type: none"> - Interaction between existing directors, if required
	<ul style="list-style-type: none"> - Decision by the Board on the recommended appointment of the new director. 	<ul style="list-style-type: none"> - Decision by the Board on the recommended re-appointment/evaluation of the existing director, as the case may be.

All Responsible Persons (and potential Responsible Persons) will be provided with a copy of this Policy prior to their appointments and at the commencement of any further assessment.

6.2 FIT AND PROPER CRITERIA AND PRUDENT JUDGEMENT

The Company shall exercise its assessment objectively and make its decision based on the provision of information as outlined within this Policy. The Company shall also make reasonable enquiries to obtain relevant information that can be taken into account in making a fit and proper assessment, in addition to self-assessment forms completed by the Responsible Persons and the potential Responsible Persons. The information can include a person's formal qualifications and attainments, curriculum vitae, referee reports obtained as part of the recruitment process, and any other publicly available information that is relevant to the fit and proper criteria.

All information provided by or on the Responsible Persons shall be assessed individually, as well as collectively, taking into account their relative importance and its merits. Failure to meet or non-compliance with one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The Company will consider the specific circumstances surrounding a director's failure or non-compliance to meet specific factors, such as 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.

6.3 FAILURE TO BE FIT AND PROPER

Where a person is found to be not fit and proper due to lack of character, diligence, honesty, integrity or judgement, or is found to be misleading or deceptive, the Board has power to take appropriate action.

6.4 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 in collecting and using the information about the Responsible Persons as part of the assessment process. The information gathered from the assessments shall be strictly for the NC's use for the purpose of the assessment and not for public disclosure

Conflict of interest is 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.

All information provided by the Responsible Person is required to be true, accurate and complete for submission to the NC/Company.

7.0 DOCUMENT RETENTION AND REPORTING

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

8.0 REVIEW OF THIS POLICY

This policy shall be reviewed periodically or as and when necessary. The NC will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

9.0 DISCLOSURE OF THIS POLICY

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

10.0 APPROVAL

This Policy was reviewed and approved by the Board on 31 May 2022.

APPENDIX A

**DECLARATION OF FITNESS AND PROPRIETY OF A * RESPONSIBLE PERSON ("RP") &
PERFORMANCE EVALUATION SHEET BY NOMINATION COMMITTEE ("NC")**

NAME OF COMPANY: BINASAT COMMUNICATIONS BERHAD (the "Company")

Performance Period:

RP's Name & Position on Board:

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

Guidelines and Specifications

- The fit and proper assessments on each RP shall be conducted within the scope of the Policy prior to initial appointments and re-appointment by the internal parties or whenever the Company becomes aware of any information that may materially compromise the RP's fitness and propriety.
- Where applicable, the fit and proper assessments (both the self-assessment by RP and the NC's performance evaluation) must be supported by relevant information/documentation in relation to the RP being assessed. The factors listed below shall be assessed individually.
- Probity, personal and financial integrity and reputation are values that can be demonstrated through personal qualities such as honesty, integrity, diligence, independence of mind and fairness as well as pledges/declarations by the RP. These qualities are seen over time and demand a disciplined and ongoing commitment to high ethical standards demonstrated by the RP.
- Experience and competence are qualitative criteria demonstrated both evidentially in written form and through the RP's performance and testimonials.
- Time and commitment by a RP is represented by both pledges and declarations on any other commitments outside of the Company and Group ("**Group**" as defined in the Policy).

The Board of Directors of the Company (the "**Board**") and NC 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 NC has the discretion from time to time to amend, supplement and/or restate this Appendix A as the NC deems fit.

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

NAME OF COMPANY: BINASAT COMMUNICATIONS BERHAD (the "Company")

Performance Period:

RP's Name & Position on Board:

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

Part 1 – To be completed by the RP

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

<i>Self-assessment of fitness and propriety – Probity, Personal Integrity and Reputation</i>		Yes	No	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, or been notified of any impending proceedings or of any investigations, which might lead to such proceedings either by a regulatory body, professional body, government or any agencies, a court or tribunal, whether publicly or privately either in Malaysia or elsewhere?			
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 that are deceitful, oppressive or otherwise improper (whether unlawful or not)?			
4.	Have you been dismissed, asked to resign or have resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about your honesty and integrity?			
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?			

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Performance Period:

RP's Name & Position on Board:

Part 1 – To be completed by the RP (cont'd)

<i>Self-assessment of fitness and propriety – Probity, Personal Integrity and Reputation (Cont'd)</i>		Yes	No	If Yes – please provide relevant details (attach supporting documents if required)
6.	Have you been associated, in ownership or in a management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a license to conduct any trade, business or profession, or has had that registration, authorisation, membership or license revoked, withdrawn or terminated?			
7.	Have you been a director of, or directly concerned 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?			
8.	Have you, at any time, ever shown a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations?			
9.	Have you, at any time, shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices?			
10.	Have you been directly or indirectly involved in or been in control of an organisation which has been involved in the solicitation/giving of bribery and corrupt activities?			
11.	Have you held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while you were connected with that business?			
<i>Self-assessment of fitness and propriety – Financial Integrity</i>		Yes	No	
1.	Are you or have you ever been an undischarged bankrupt?			
2.	Are you able to fulfil your financial obligations, whether in Malaysia or elsewhere, as and when they fall due.			
3.	Are there any bankruptcy proceedings pending or are being initiated against you presently?			

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Performance Period:

RP's Name & Position on Board:

Part 1 – To be completed by the RP (cont'd)

[Section B below is not applicable to first time candidates for directorship]

Using the rating scale below, the RP to conduct a self-assessment to demonstrate his/her experience and competence by ticking the appropriate box:

1	2	3	4
Not at all (Poor)	Seldom (Below average)	Most of the time (Average)	Always (Above average)

Self-assessment of fitness and propriety – experience and competence (Section B)		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.	Takes initiative to demand for additional information, where necessary and follows up on areas of concern					
3.	Offers practical and realistic advice to Board and/or committee discussions					
4.	Tackles conflicts and takes part in proposing solutions					
5.	Contributes to risk management initiatives					
6.	Satisfied with sufficient probing that the Company's financial information is accurate and financial controls and systems of risk management are robust and defensible					
7.	Articulates in a non-confrontational and comprehensible manner					
8.	Encourages others to get things done, is decisive and action-oriented					

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Performance Period:

RP's Name & Position on Board:

Part 1 – To be completed by the RP (cont'd)

<i>Self-assessment of fitness and propriety – time and commitment (Section B) (Cont'd)</i>		Comments/Answers
1.	How many boards are you sitting on presently?	
2.	How do you prepare (how much time do you allocate) for Board meetings and what value do you add to the Board and/or committee meetings?	
3.	Are you receptive to the views of others which may differ from your own?	
4.	How much time and effort are you willing to devote to understand the Company better and its business objectives?	
5.	Are you prepared to participate in events outside the boardroom such as site visits in order to achieve the objectives of the Board?	

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Performance Period:

RP's Name & Position on Board:

General Declaration of Integrity by RP:-

I, **[TO INSERT RP NAME]**, **[TO INSERT POSITION ON THE BOARD]**, declare that:

1. the information provided in this declaration (including any attachments) is true, accurate, complete and correct;
2. I hereby confirm that:
 - (i) I am not prohibited from being a director of a company or in any way, whether directly or indirectly, be concerned or take part in the management of a company in Malaysia pursuant to a court order made under the Companies Act 2016 and have not obtained any leave of the court under the same section;
 - (ii) I am able to commit adequate and sufficient time towards my responsibilities as a RP;
 - (iii) Under any law relating to any civil or criminal matters:-
 - (a) there has not been any order of detention, supervision, or deportation made against me; and
 - (b) there has not been any form of restriction or supervision by bond or otherwise, imposed on me;
 - (c) to my knowledge, there has been no penalty and no reprimand issued against me by a supervisory authority (in or outside Malaysia); and
 - (iv) I will always act with integrity and in good faith as a RP;
3. I have not held the position of a director or been directly concerned in the management of any company which has been convicted of an offence under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice during the tenure of my office;
4. I am a person of probity, personal and financial integrity and good reputation;
5. I possess appropriate skills, experience and have sufficient knowledge to effectively fulfil the role and responsibilities of the position; and
6. I have managed my affairs properly and prudently.

Signature : _____

Date : _____

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Performance Period:

RP's Name & Position on Board:

Part 2 - To be completed by the Board/NC based on the self-assessment of the RP's performance in Part 1 above

BOARD/ NC ASSESSMENT

In assessing the RP's self-assessment, the Board and NC must consider the following factors referred to as the Fit & Proper Criteria:

1. probity, personal and financial integrity and reputation;
2. experience and competency; and
3. time and commitment

<u>Evaluation of fitness and propriety of the RP – <i>probity, personal & financial integrity and reputation</i></u>		Please tick (✓)		Comments
		YES	NO	
1.	Is not a major shareholder of the Company.			
2.	Is not a family member of any director, officer or major shareholder of the Company.			
3.	Acts with integrity, in good faith and best interest of the Company and Group.			
4.	Has not been engaged as an adviser by the Company and Group under such circumstances as prescribed by Bursa Malaysia Securities Berhad (" Bursa ") or is not presently a partner, director (except as an Independent Director) or major shareholder, as the case may be, of a firm or company which provides professional advisory services to the Company under circumstances as prescribed by Bursa Securities.			
5.	Has not engaged in any transaction with the Company and Group under such circumstances as prescribed by Bursa or is not presently a partner, director or major shareholder, as the case may be, a firm or company (other than subsidiaries of the Company) which has engaged in any transaction with the Company under such circumstances as prescribed by Bursa.			
6.	Have not been directly or indirectly involved in or been in control of an organisation which has been involved in the solicitation/giving of bribery and corrupt activities, notwithstanding if such activities are as part of the operations of the business.			
7.	Have not been the subject of any proceedings of a disciplinary or criminal nature, or been notified of any impending proceedings or of any investigations, which might lead to such proceedings either by a regulatory body, professional body, government or any agencies either in Malaysia or elsewhere.			

DIRECTORS' FIT AND PROPER POLICY

Performance Period:

RP's Name & Position on Board:

<i>Evaluation of fitness and propriety of the RP – <u>probity, personal & financial integrity and reputation</u> (Cont'd)</i>		Please tick (√)		Comments
		YES	NO	
8.	Have not been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of personal integrity.			
9.	Has the RP been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere? (to conduct independent check)			

<i>Evaluation of fitness and propriety – <u>experience and competency</u></i>		Please tick (√)		Comments
		YES	NO	
1.	Have we verified his/her academic and professional qualifications?			
2.	What previous experience/background does the RP possess to add value to the Board?			
3.	Does the RP have the ability to discharge the role and responsibility of the position?			
4.	Does the RP work constructively with peers, the company secretary and senior management?			
5.	Does the RP always offer insight to matters presented with requisite knowledge and shares relevant information?			
6.	Is the RP decisive and action oriented? Does the RP always encourage others to get things done.			
7.	Does the RP have a good behavior that engenders mutual trust and respect within the Board?			
8.	Does the RP communicate effectively with shareholders and listen their feedback?			

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<i>Evaluation of fitness and propriety – <u>time and commitment</u></i>		Please tick (√)		Comments
		YES	NO	
1.	Has the RP attended all board/committee meetings?			
2.	Does he/she contribute effectively and constructively during board/committee meetings?			
3.	Does he/she provide positive/negative feedback?			
4.	Has he/she attended training as a director to enhance his/her skills?			
5.	Has the RP been and/or will he/she be able to devote the required time to serve the role? <i>(based on time spent by the RP to prepare for the meetings and number of attendances at meetings)</i>			
6.	Has the RP shown commitment towards his/her position on the Board by his/her participation and contribution or track record?			

We have performed third party verification checks, i.e. CTOS and bankruptcy search (if and whenever necessary) and reviewed the evidence that the RP has provided including his/her qualifications and past experiences, the RP's commitments to other boards and hereby verify that the RP named above meets the Fit and Proper Criteria and will report and present the same to the Board for approval.

Recommended by the Chairman of NC:

Signature : _____

Date : _____

Approved by the Chairman of the Board:

Signature : _____

Date : _____