



LOTTE CHEMICAL TITAN HOLDING BERHAD

REGISTRATION NO:199101012045 (222357-P)

# **DIRECTORS' FIT AND PROPER POLICY**

**Version 1**

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## **1. INTRODUCTION**

The Directors' Fit and Proper Policy ("Policy") sets out the approach for the appointment or re-election of directors of Lotte Chemical Titan Holding Berhad ("LCT" or "the Company") and its subsidiaries.

The Policy aims to ensure each of the directors have the necessary qualities, competencies and experience that allows them to effectively discharge his/her role as a director of the Company and its subsidiaries.

## **2. OBJECTIVE**

This Policy serves as a guide to the Nomination and Remuneration Committee ("NRC") and the Board in their review and assessment of candidates who are to be appointed onto the Board as well as directors who are seeking for re-election.

The general criteria that form the overarching criteria in relation to the Policy are outlined below:

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

## **3. SCOPE AND APPLICATION**

In assessing if a candidate meets the criteria under this Policy, the Board together with the NRC shall consider factors which include but are not limited to the following:

### **a) Character and integrity:**

- (i) Probity
  - is compliant with legal obligations, regulatory requirements and professional standards;
  - has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
- (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;
  - service contract (i.e. in the capacity of management or director) has not been terminated in the past due to concerns on personal integrity;
  - has not abused other positions (that he has held) in a manner that contravenes the principles of good governance.

(iii) Financial integrity

- manages personal debts or financial affairs satisfactorily;
- demonstrates ability to fulfil personal financial obligations as and when they fall due.

(iv) Reputation

- is 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 the subject of reprimand or disciplinary actions by any regulatory or professional bodies;
- 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 the director is earmarked to bring to the boardroom (i.e. a match to the board skill set matrix);
- has a considerable understanding on the workings of a corporation;
- possesses general management skills as well as understanding of corporate governance and 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 past length of service, nature and size of business, responsibilities 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 a comparable organization, and was accountable for driving or leading the organization's governance, business performance or operations;
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

**c) Time and commitment**

(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 organizations).

- (ii) Participation and contribution in the board or track record
- demonstrates willingness to participate actively in board 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 judgments after hearing the views of others.

#### **4. RESPONSIBILITIES OF THE BOARD AND NRC ON ASSESSMENT OF FITNESS AND PROPRIETY OF DIRECTORS**

- 4.1 The Board and NRC shall be responsible in the application of this Policy and for conducting assessments on the fitness and propriety of the candidates/directors and making decisions on their appointments or re-election.
- 4.2 For appointments of new directors, the person shall be required to complete the Directors Information and Declaration form as set out in Appendix I.
- 4.3 For the re-election of directors, the assessment shall be performed based on the Board Evaluation Form.
- 4.4 The Company should conduct the assessment objectively in the best interests of the Company. In conducting the assessment, the Company should also consider if there have been material changes in the nature or scope of the responsibilities assumed by a director in which higher standards of competence or judgement are required in order to properly perform the duties associated with the said position.
- 4.5 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.
- 4.6 For the directors of the subsidiary companies of the Company, the Board delegates the responsibility of assessment for fit and proper and decision on appointment and/or re-election of directors in the subsidiaries in Malaysia to the President & CEO and in the case of foreign subsidiaries, the appointment and/or re-election of directors are subject to the laws and regulations of the respective countries governing such appointment and/or re-election of directors.

#### **5. REVIEW OF POLICY**

This Policy shall be reviewed periodically by the NRC and any changes shall be recommended at any time as it may deem necessary in accordance with the needs of the Company, the Malaysian Code on Corporate Governance, the Listing Requirements of Bursa Malaysia and/or any other applicable laws enforced at the time being.

**DIRECTORS INFORMATION AND DECLARATION FORM****Part A : Personal Details**

1	Full Name:	
2	Date of Birth:	
3	NRIC No / Passport No:	
4	Citizenship:	
5	Residential Address:	
6	Telephone No:	
7	Service Address: (if different from residential address)	
9	Email Address:	
10	Business Occupation:	

**Part B : Qualification and Working Experience**

No	Questionnaire	
1	Educational Qualification:	

No	Questionnaire	
2	Work Experience:	

**Part C: Directorship in other public companies/public listed companies**

<u>Public Companies or its Group</u>	<u>Public Listed Companies or its Group</u>

**Part D : Declaration**

No	Questions	Yes	No
1	Do you have any relationship with any Directors in LCT?		
		If yes, please state details:	

2	Do you have any interest in securities, both direct and indirect in LCT?		
		If yes, please state details:	
3	Have you been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings?		
		If yes, please state details:	
4	Have you at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations?		
		If yes, please state details:	
5	Have you or the company where you are a director been reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately?		
		If yes, please state details:	



**Director's Information and Declaration Form**

**APPENDIX I**

6	Have you been involved in any business or relationship which could materially pose a conflict of interest or interfere with your judgement when acting in the capacity of a director of LCT or LCT Group which could be disadvantageous to LCT or LCT's interest?		
		If yes, please state details:	
7	Do you hold a post in any political party?		
		If yes, please state details:	
8	Have you been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere?		
		If yes, please state details:	
9	Have you made arrangements with creditors, filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction?		
		If yes, please state details:	

Name: \_\_\_\_\_

Date: