

	<b>Document Title</b>	Fit and Proper Policy		
	<b>Reference No.</b>	03-1-0002		
	<b>Revision No.</b>	0	<b>Effective Date</b>	30 JUNE 2022

	<b>Approver</b>	<b>Approval Date</b>
<b>Prepared by</b>	<b>CORPORATE SECRETARIAL DIVISION</b>	23 JUNE 2022
<b>Recommended by</b>	<b>BOARD NOMINATION AND REMUNERATION COMMITTEE OF POS MALAYSIA</b>	30 JUNE 2022
<b>Approved by</b>	<b>BOARD OF DIRECTORS OF POS MALAYSIA</b>	30 JUNE 2022

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## 1. TERMS, ACRONYMS AND DEFINITIONS

Term/ Acronym	Definition
“Board”	Board of Directors of Pos Malaysia Berhad
“BNRC”	Board Nomination and Remuneration Committee
“Central Bank”	Central Bank of Malaysia
“Group”	Pos Malaysia and its subsidiary companies
“MSBA”	Money Services Business Act 2011
“MSB Regulations 2012”	Money Services Business (Minimum Criteria of A “Fit and Proper” Person) Regulations 2012
“Responsible Persons”	(i) The existing directors for re-appointment or re-election as a director of the Group; or (ii) The candidate(s) for nomination or appointment as director of the Group, as the case may be.
“Policy”	The Fit and Proper Policy of the Group
“Pos Malaysia” or “the Company”	Pos Malaysia Berhad

## 2. PURPOSE

- 2.1.** 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, competency and commitment of time to effectively discharge their roles and responsibilities which include diligence, honesty and judgement to perform the duties of that position, in tandem with good corporate governance practices.
- 2.2.** This Policy is intended to strengthen the governance of the process of assessing the quality and integrity of the Responsible Persons.
- 2.3.** Pos Malaysia is also committed to meeting its obligation under Section 30 of the MSBA as the Company is licensed under MSBA whereby Pos Malaysia is allowed to offer money remittance service.

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### 3. ROLES

#### 3.1 The Roles of the Board and BNRC


The Board and BNRC will be guided by the application of this Policy in determining that all Responsible Persons fulfil the fit and proper criteria and requirements and in conducting assessment for fitness and propriety of the Responsible Persons.

#### 3.2 The BNRC's Role

- (a) The assessment on existing directors or candidates for nomination or appointment as directors of the Company and subsidiary company as set out in the Limits of Authority and any other subsidiary companies deemed necessary to be included by the Board, and make recommendations to the Board on these matters; and
- (b) Reporting to the Board that the assessment on existing directors or candidates for nomination or appointment as directors of the Company meets the minimum criteria of a “fit and proper” person as prescribed by the MSB Regulations 2012.
- (c) Reporting to the Board about any matters that are relevant to a particular assessment of a Responsible Person's fitness and propriety.

### 4. FIT AND PROPRIETY STANDARDS

As and when necessary, the BNRC shall propose potential/new candidates to the Board and for the assessment of all Responsible Persons, the BNRC shall use the principles underpinning the criteria listed below, which is also in accordance with the Corporate Governance Guide issued by Bursa Malaysia Berhad, to establish the fitness and propriety of the Responsible Persons prior to recommending to the Board for the appointment and reappointment of such Responsible Persons.

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#### 4.1. Fit and Proper Criteria

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

- (a) **Character and Integrity** – probity, honesty, personal integrity, financial integrity and reputation.
- (b) **Experience and Competence** – qualifications, training and skills, relevant experience and expertise, 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 4.1.1 to 4.1.3 of this Policy.

##### 4.1.1. Character and Integrity

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

##### Probity

- (a) that the person has complied with legal obligations, regulatory requirements and professional standards; and
- (b) that the person has not been obstructive, misleading or untruthful in dealings with regulatory bodies or courts of any jurisdiction.

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#### Personal Integrity

- (a) that the person has not abused his/her position, perpetrated or participated in any business practices which are deceitful, oppressive, improper, or which otherwise reflect discredit on his/her professional conduct; and
- (b) that the person had not been terminated/dismissed from the employment in the past due to concerns on personal integrity.

#### Financial Integrity


- (a) that the person is not an undischarged bankrupt; and
- (b) that the person is not subject to any bankruptcy proceedings.

#### Reputation

- (a) that the person is of good repute in the financial and business community and has not been the subject of civil or criminal proceedings or enforcement action, in connection with managing or governing an organisation for the past 10 years; and
- (b) that the person 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 the management.

#### **4.1.2. 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.

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

**Qualifications, training and skills**

- (a) that the person has the appropriate qualifications and training that are relevant to the skillset that the director is earmarked to bring to the board (i.e. match to the board's skill set matrix);
- (b) that the person had satisfactory past performance or expertise and/or had experiences in leading or driving governance, business performance or operations with good past performance track records gathered from board effectiveness evaluation; and
- (c) that the person keeps his/her knowledge current with continuous professional development.

**Relevant experience and expertise**


- (a) that the person possesses relevant experience and expertise with due consideration given to commendable past performance.

#### **4.1.3. Time and Commitment**

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

**Ability to discharge role having regard to other commitments**

- (a) that 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).

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*Participation and contribution in the board or track record*

- (a) that the person demonstrates willingness to devote time and effort to understand the businesses, as well as participate actively in board activities;
- (b) that the person exhibits ability to articulate views independently, objectively and constructively; and
- (c) that the person exhibits open-mindedness to the views of others and ability to make a considered judgement after hearing the views of others.

**4.2.** In addition to the criteria stated in item 4.1 above, for the purposes of fulfilling the requirements of Section 30 of the MSBA, which is applicable to Pos Malaysia, Responsible Persons for new appointments as Directors shall meet the minimum criteria of “fit and proper”, as per Appendix A – Money Services Business Act 2011 Money Services Business (Minimum Criteria of A “Fit And Proper” Person) Regulations 2012, enclosed in this Policy.


## **5. ASSESSMENT PROCESS**

### **5.1. ASSESSMENT PROCESS**

The BNRC will assess each person for a new appointment or re-appointment of Directors based on the criteria before recommending to the Board for approval. The Declaration Form is set out in Appendix B.

The results of the assessments are part of the Company’s internal documents and shall not be disclosed or provided to any other party.



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## 5.2. FIT AND PROPER CRITERIA AND PRUDENT JUDGEMENT

The Company will make its decision based on the provision of information as outlined within this Policy. The Company will 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.

## 5.3. 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.

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 BNRC/Board/Company.

## 5.4. SUBMISSION OF STATUTORY DECLARATION

The Responsible Persons of Pos Malaysia (only) for new appointments are required to submit the Statutory Declaration(s), as per Appendix C enclosed in this Policy, to the Central Bank imposed under the MSBA.

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## 6. REVIEW OF THIS POLICY

The BNRC will review the Policy, as appropriate, periodically, to ensure the effectiveness and efficacy of the Policy. The BNRC will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

# APPENDIX A

## **MONEY SERVICES BUSINESS ACT 2011 MONEY SERVICES BUSINESS (MINIMUM CRITERIA OF A “FIT AND PROPER” PERSON) REGULATIONS 2012**

### **Minimum Criteria of A “Fit And Proper” Person in Relation to A Shareholder, Controller, Director, etc.**

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The minimum criteria of a “fit and proper” person in relation to a shareholder, director, controller, chief executive officer or manager pursuant to the Act are as follows:

- (a) the person has not been convicted of an offence under—
  - (i) this Act or the repealed Act;
  - (ii) the Payment Systems Act 2003 [Act 627];
  - (iii) the Banking and Financial Institutions Act 1989 [Act 372];
  - (iv) the Insurance Act 1996 [Act 553];
  - (v) the Islamic Banking Act 1983 [Act 276];
  - (vi) the Takaful Act 1984 [Act 312];
  - (vii) the Exchange Control Act 1953 [Act 17];
  - (viii) the Central Bank of Malaysia Act 2009 [Act 701];
  - (ix) the Development Financial Institutions Act 2002 [Act 618];
  - (x) the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 [Act 613];
  - (xi) the Capital Markets and Services Act 2007 [Act 671]; or
  - (xii) the Companies Act 1965 [Act 125];
- (b) the person has not been convicted of a criminal offence relating to dishonesty or fraud under any written law within or outside Malaysia;
- (c) if the person has been convicted of a criminal offence not relating to dishonesty or fraud under any written law within or outside Malaysia, a period of five years has lapsed since the completion of his sentence;
- (d) the person is not an undischarged bankrupt;
- (e) the person has not suspended payments or compounded with his creditor whether in or outside Malaysia;

**Minimum Criteria of A “Fit And Proper” Person in Relation to A Shareholder, Controller, Director, etc.**

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- (f) the person has not been—
  - (i) issued an order of detention, supervision, restricted residence, banishment or deportation; or
  - (ii) imposed by any form of restriction or supervision by bond or otherwise, under any written law relating to prevention of crime;
- (g) the person has 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 for the protection of the public against financial loss due to dishonesty, incompetence or malpractice during the tenure of his office unless he proves that such offence was committed without his knowledge or consent and he was not in a position to prevent the offence;
- (h) the person is of probity, personal integrity and good reputation;
- (i) the person has the appropriate skills, experience and sufficient knowledge of the Act and the relevant provisions in the Anti- Money Laundering and Anti-Terrorism Financing Act 2001 to fulfill the role and responsibilities of the position effectively;
- (j) the person has managed his financial affairs properly and prudently; and
- (k) if the person is a chief executive officer, he is available for full time employment.

*(Extracted from Money Services Business (minimum criteria of a “fit and proper” person) Regulations 2012 dated 20 February 2022)*

**POS MALAYSIA BERHAD**  
(Registration No. 199101019653 (229990-M))

## DECLARATION OF FITNESS AND PROPRIETY OF A RESPONSIBLE PERSON\* (“RP”)

**NAME OF COMPANY: POS MALAYSIA BERHAD** (the “Company”)

Performance Period:

RP’s Name & Position on Board:

*\*as defined in the Fit and Proper Policy of the Company (the “Policy”)*

Section A: To be completed by the RP (for New Appointment and Re-appointment/Re-election)

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

<b>SECTION A:</b> <b><i>Self-assessment of fitness and propriety – probity, personal &amp; financial integrity and reputation</i></b>		Y/N	If Yes - please provide relevant details ( <i>attach supporting documents if required</i> )
1.	Have you or has any business you were involved in ( <i>whether as an owner or possess any controlling interest in</i> ) been the subject of any proceedings of a disciplinary or criminal nature?		
2.	Have you been disqualified by any regulatory body, professional body, government body or its agencies?		
3.	Have you been engaged in any business practices or been questioned on aspects of professional conduct or business ethics which are deceitful, oppressive or otherwise improper, or which otherwise reflect discredit on your reputation?		
4.	Have you been terminated/dismissed from employment because of issues regarding your honesty and integrity?		
5.	Have you been involved in any business relationship which could materially pose a conflict of interest or interfere with the exercise of your judgment when acting in the capacity as an RP which would be disadvantageous to the interest of the Company and/or Group?		
6.	Have you been a director of, or directly involved 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?		
7.	Are you or have you ever been an undischarged bankrupt?		
8.	Are there any bankruptcy proceedings being initiated against you presently?		

**Performance Period:**  
**RP Name & Position on Board:**

<b>SECTION A:</b> <b><i>Self-assessment of fitness and propriety – experience and competence</i></b>		<b>Comments</b>
1.	To what extent is your past experience similar to the business of the Company and the Group's geographic footprint? Please give your comments on the value-add you can contribute if there is no similar experience/background.	
2.	What is the level of applicability of your professional qualifications/competence, including the ability to understand the technical requirements, the risk and the management of the Company's business, that are required for this position as an RP? Please provide evidence of past experiences and proof of your qualifications to support your assessment.	
3.	What previous/recent training courses that you have attended which is of relevance and required for this position as an RP? Please provide evidence of training certifications to support your answer.	

<b>SECTION A:</b> <b><i>Self-assessment of fitness and propriety – time and commitment</i></b>		<b>Comments/Answers</b>
1.	How many boards are you sitting on presently?	
2.	How much time and effort are you willing to devote to understand the Company better and its business objectives?	
3.	Are you prepared to participate in events outside the boardroom such as site visits in order to achieve the objectives of the Board?	

**Performance Period:**  
**RP Name & Position on Board:**

[Section B is only applicable for re-appointment and re-election of director(s) (not applicable to new appointment)]

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

<b>SECTION B:</b> <b><i>Self-assessment of fitness and propriety – experience and competence</i></b>		<b>Rating</b>				<b>Comments</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	
1.	Provides unique insight to issues presented and shares personal knowledge – has valuable skills and requisite knowledge and skills, and shares information.					
2.	Constructively challenges and contributes to the development of strategy.					
3.	Receives feedback from the Board and/or committee and incorporates the feedback obtained into decision-making process in an objective manner.					
4.	Defends own stand through constructive deliberations at Board and/or committee meetings, where necessary.					
5.	Takes initiative to demand for additional information or tests quality of information and assumptions, where necessary and follows up on areas of concern.					
6.	Offers practical and realistic advice to the Board and/or during committee discussions.					
7.	Tackles conflicts and takes part in proposing solutions.					
8.	Provides logical and honest opinions on issues presented.					
9.	Contributes to risk management and sustainability initiatives.					
10.	Prioritises context of issues to be in line with the Company's objectives.					

**Performance Period:**  
**RP Name & Position on Board:**

<b>SECTION B:</b> <i><b>Self-assessment of fitness and propriety – experience and competence (Cont'd)</b></i>		<b>Rating</b>				<b>Comments</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	
11.	Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements.					
12.	Probes management to ensure that the management has taken, and/or suggests the management to take into consideration the varying opportunities and risks whilst developing strategic plan.					



**Performance Period:**  
**RP Name & Position on Board:**

**General Declaration of Integrity by RP:-**

I, [TO INSERT RP NAME], declare that:

1. the information provided in this declaration (including any attachments) is true, accurate, complete and correct as to the best of my knowledge; and
2. I further authorise the Company to conduct background check, if necessary for the purpose of my appointment/re-appointment as the Director(s) of the Company / Group.

Signature : \_\_\_\_\_

Date : \_\_\_\_\_



**(g) Statutory declaration**

I, \_\_\_\_\_ (name of applicant), of NRIC / Passport No. \_\_\_\_\_ do solemnly and sincerely declare that:

A: I am not subject to the disqualifications mentioned below:

- (i) I have not been convicted of an offence under the Money Changing Act 1998 [Act 577], the Payment Systems Act 2003 [Act 627], the Banking and Financial Institutions Act 1989 [Act 372], the Insurance Act 1996 [Act 553], the Islamic Banking Act 1983 [Act 276], the Takaful Act 1984 [Act 312], the Exchange Control Act 1953 [Act 17], the Central Bank of Malaysia Act 2009 [Act 701], the Development Financial Institutions Act 2002 [Act 618], the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 [Act 613], the Capital Markets and Services Act 2007 [Act 671] or the Companies Act 1965 [Act 125];
- (ii) I have not been convicted of a criminal offence relating to dishonesty or fraud under any written law within or outside Malaysia;
- (iii) If I have been convicted of a criminal offence not relating to dishonesty or fraud under any written law within or outside Malaysia, a period of five years has lapsed since the completion of my sentence\*;
- (iv) I am not an undischarged bankrupt;
- (v) I have not suspended payments or compounded with my creditor whether in or outside Malaysia;
- (vi) (a) I have not been issued with an order of detention, supervision, restricted residence, banishment or deportation; or  
(b) I have not been imposed with any form of restriction or supervision by bond or otherwise, under any law relating to prevention of crime, preventive detention for prevention of crime or drug trafficking, restricted residence, banishment or immigration;
- (vii) 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;
- (viii) I am a person of probity, personal integrity and good reputation;
- (ix) I possess the appropriate skills, experience and have sufficient knowledge of the Money Services Business Act 2011 and the relevant provisions in the Anti-Money Laundering and Terrorism Financing Act 2001 to effectively fulfil the role and responsibilities of the position;
- (x) I have managed my affairs properly and prudently; and
- (xi) \*If I am to be appointed as a chief executive officer or to be primarily responsible for the day-to-day management of the company, I will be available for full time employment.

B: I am\*:

- (i) representing the interest of \_\_\_\_\_; or
- (ii) not representing the interests of any person;

C: All the information submitted above is true; and

\* Delete if not applicable or relevant

D: I understand that if I furnish any information required which is false, inaccurate, misleading or contains material errors or omissions, the approval may not be granted by Bank Negara Malaysia. In the event that the approval has been granted, it may be withdrawn.

This declaration was made before me:

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< Name >

(Signature of Sessions Court Judge,  
Magistrate or Commissioner For Oaths)  
Date:

### Part 3: Consent for disclosure (information)

For **individual** who has completed **Part 2** this form.

Pursuant to section 99(1)(a) of the Banking and Financial Institutions Act 1989 (BAFIA), section 120(1)(c) of the Development Financial Institutions Act 2002 (DFIA) and section 34(3)(a) of the Islamic Banking Act 1983 (IBA), I hereby authorise any Licensed Institution under the BAFIA, Development Financial Institution under the DFIA and Islamic Bank under the IBA where I have account/financial liabilities to disclose to Bank Negara Malaysia, any information relating to my accounts and affairs.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)

**Part 4: Board Resolution of Company**

*(To be submitted by the existing Board of Directors of the company)*

**Board Resolution**

We, the Board of Directors of Pos Malaysia Berhad hereby agreed to appoint < Name > as the company's new Director/CEO.

**Board of Directors**

\_\_\_\_\_  
(Signature)  
Name:

\_\_\_\_\_  
(Signature)  
Name:

*(Extracted from Application Form for Appointment of New Director/CEO/Individual Primarily Responsible for day-to-day Management available at the Bank Negara Malaysia's website <https://www.bnm.gov.my/msb-forms>)*