

# **LYSAGHT GALVANIZED STEEL BERHAD**

**DIRECTORS' FIT AND PROPER POLICY**

## **Directors' Fit and Proper Policy**

The Directors' Fit and Proper Policy ("Policy") is to set a formal and transparent fit and proper criterion for the appointment and re-election of Directors of Lysaght Galvanized Steel Berhad and its subsidiaries ("Lysaght Group").

This Policy must be read in conjunction with the Board Charter and serves as a guide to the Nomination Committee ("NC") and Board of Directors ("Board") in their review and assessment of candidates for appointment as Directors as well as Directors who are seeking for re-election based on the following fit and proper criteria, which are to be assessed individually and collectively :-

### **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) had not been terminated in the past due to concerns on personal integrity.

#### **(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 community.
- has not been the subject of criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.
- 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) Qualification, training and skills**

- possesses qualification that is relevant to the skill set that the director is earmarked to bring to bear onto the boardroom (i.e. a match to the board skill set matrix).
- has 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 experience and was accountable for driving or leading the organisation'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 organisations).

(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 judgment after hearing the views of others.

**Assessment**

The NC shall assess the fitness and proper conduct and standing of a candidate identified for appointment as a Director and each Director standing for re-election as a Director based on the criteria set out in the above paragraphs before recommending to the Board for approval.

A person who has been identified for appointment as a Director or for re-election as a Director within Lysaght Group shall be required to make the fit and proper declaration, using such form that the Nomination Committee may recommend from time to time.

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

## **Review of the Policy**

The NC shall periodically review this Policy to ensure its effectiveness and recommend to the Board for approval on any changes which it may deemed necessary in accordance with the needs of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and/or any other applicable laws enforced at the time being.