

FIT AND PROPER POLICY

1. Introduction

- 1.1 PESTECH International Berhad (“**PESTECH**” or “**Company**”) has adopted the Fit and Proper Policy to ensure a formal, rigorous and transparent process for appointment and re-election of directors of the Company and its subsidiaries.
- 1.2 In formulating this policy, the Company is obliged to comply with the requirements contained in the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and other applicable rules and regulations at the prevailing country to ensure compliance with the obligations imposed.

2. Objective

- 2.1 This Policy is to set out the criteria for selection of candidates that are proposed to be appointed as directors as well as directors who are seeking for re-election. The criteria are intended to guide the Nomination Committee (“**NC**”) and the Board of Directors (“**Board**”) in their review and assessment of such candidates in making their selection.
- 2.2 The directors must possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

3. Scope

The NC and the Board shall ensure that assessments of fitness and propriety are conducted on all directors and such assessments shall include but not limited to the following fit and proper criteria:

3.1 Character and integrity

a) Probity

- (i) complies with legal obligations, regulatory requirements and professional standards;
- (ii) has not been obstructive, misleading or untruthful in dealings with regulatory bodies or at court;
- (iii) has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to the matters in respect to the person’s honesty, integrity or business conduct.

b) Personal integrity

- (i) 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;
- (ii) 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) has not abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance.

c) Reputation

- (i) is of good repute in the financial and business community;
- (ii) has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- (iii) 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.

3.2 Experience and competence

a) Qualifications, training and skills

- (i) possesses education 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);
- (ii) has a considerable understanding on the workings of a corporation;
- (iii) possesses general management skills as well as understanding of corporate governance and sustainability issues;
- (iv) keeps knowledge current based on continuous professional development;
- (v) possesses leadership capabilities and a high level of emotional intelligence.

b) Relevant experience and expertise

- (i) 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.

3.3 Time and commitment

a) Ability to discharge role having regard to other commitments

- (i) 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).

b) Participation and contribution in the board or track record

- (i) demonstrates willingness to participate actively in board activities;
- (ii) demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- (iii) manifests passion as a director;
- (iv) exhibits ability to articulate views independently, objectively and constructively;
- (v) exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. Responsibilities

4.1 The NC and the Board shall be responsible for conducting assessments on the fitness and propriety of directors and making decisions on their appointments.

5. Assessment of Fitness and Propriety of Directors

5.1 The fit and proper assessments on each director within the scope of this Policy shall be conducted by the Company both prior to initial appointments and at regular intervals of at least annually or whenever the Company becomes aware of information that may materially compromise the persons' fitness and propriety.

5.2 The Company shall consider the factors set out in "Fit and Proper Criteria" above in assessing the fitness and propriety of a director. The factors shall be assessed individually, as well as collectively, taking into account their relative importance. Failure to meet 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 the persons' failure to meet specific factors, such as the significance of the event from the perspective of potential risks posed to the Company.

5.3 The NC and the Board shall exercise the assessment objectively in the best interests of the Company and the sound conduct of the Company's business. In conducting the assessment, the NC and Board should consider whether there have been material changes in the nature or scope of the responsibilities assumed by a director in which higher standards of competence or judgment are required in order to properly perform the duties associated with the said position.

5.4 The NC shall determine the suitability of appointment and re-election of a person to the Board of the Company by ascertaining the "Fit and Proper Criteria" of the candidate or director. Furthermore, the NC may recommend to the Board with reasons recorded in writing, removal of a director, subject to the provisions and compliance of rules and regulations due to any reasons of non-compliance of "Fit and Proper Criteria" or any other disqualification prescribed by the law.

6. Review of Policy

6.1 The NC shall, as and when required, assess the adequacy of this Policy and make necessary amendments to ensure it remains consistent with the Board's objective, applicable regulatory requirements and best practices. Any subsequent amendments to this Policy should be approved by the Board.

6.2 This Policy has been approved and endorsed by the Board on 13 July 2022 and is made available for reference on Company's corporate website and internal communication platform.