

1. PURPOSE

- 1.1 The Fit and Proper Policy (“the Policy”) sets out the factors to be considered for the appointment and re-appointment of Directors on the Board of Petron Malaysia Refining & Marketing Bhd (“PMRMB”).
- 1.2 (In line with the requirements of the Main Market Listing Requirements), to ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of PMRMB.
- 1.3 Serve as a guide the Nomination Committee (“NC”) and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as eligible retiring Directors who are seeking for election or re-election at a General Meeting.

2. CRITERIA

- 2.1 The fit and proper criteria of a Director include (but not limited to) the following:-

2.1.1 Character and Integrity

(i) Probity

- Has been compliant with legal obligations, regulatory requirements and (if applicable) professional-body standards.
- Has not been obstructive, misleading or untruthful in dealings with professional bodies, regulatory bodies or any court of law/arbitration.

(ii) Personal integrity

- Has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise discredits his/her professional conduct.
- His/her service contract (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity or probity.
- Has not abused other positions (i.e. political appointment or other directorship) for personal gain or for the gain of others or facilitate government or other relations for any political (?) party in a manner that contravenes the principles of good governance.

(iii) Financial integrity

- Has managed 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 any entity (corporate or otherwise) for the past 10 years.
- Has not been substantially involved in the management of a business or company which has failed, where that failure was, as a result, of mismanagement or poor governance by said management.

2.1.2 Experience and competence

- (i) Qualifications, training and skills
- Possesses education qualification(s) relevant to the skill set that the Director is expected to possess and provide to the Board.
 - Has considerable understanding on the business and workings of a corporation (public listed entity experience being an added advantage).
 - 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 quotient (especially in relation to working with both Board/Committee as well as Management)
 - Financial literacy and ability to understand/digest financial statements as presented by Management and critically evaluate the financial statements
- (ii) Relevant experience and expertise
- Possesses relevant experience and expertise in senior management or on the board of directors of companies 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. Some expertise relevant to a downstream oil & gas business would be an added advantage.
 - 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. Alternatively, if not from the corporate sector, has substantial expertise and experience in particular and relevant areas of academia, social work, environmental protection, labour rights or non-governmental organizations

2.1.3 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
- Demonstrates willingness to participate actively in board activities.
 - Demonstrates willingness to devote time and effort to understand the businesses of the Company 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.

3. THE ASSESSMENT

- 3.1 Re-appointment: The NC will assess each person for re-appointment as a Director based on the criteria set out under item 2.1 before recommending to the Board for approval. The Board Evaluation Form is set out in Annexure 1 (The questionnaires are based on the Corporate Governance Guide 4th Edition).
- 3.2 New Appointment: For the appointment of any new Director, the person is required to complete the Prospective Directors Information as set out in Annexure 2, that will then be analysed by the NC. Alternatively, to assist the candidate, Management may fill in information on such form for the candidate (from publicly available records and documents) for the candidate to then review/update/correct and confirm in writing.
- 3.3 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party including any candidate under such review.

4. REVIEW OF THE POLICY

- 4.1 The NC may recommend any change to the Policy as the NC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.

DIRECTORS' EVALUATION FORM

This Evaluation Form is to be completed by the individual director based on the following ratings:-

4	3	2	1
<i>Above average</i>	<i>Average</i>	<i>Below Average</i>	<i>Poor</i>
<i>Yes, Always</i>	<i>Yes, most of the time</i>	<i>Yes, but seldom</i>	<i>No</i>

OR

Yes	No
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Name of Director:

		Rating (Please tick(√) accordingly but if not applicable, please state as "Not Applicable")					
		Yes	No	1	2	3	4
Section A : Fit and Proper							
1	Has been questioned, of his/her honesty, integrity, professional conduct or business ethics/practices which are deceitful, oppressive or improper and investigated on complaints lodged						
2	Has shown willingness to maintain effective internal control systems and risk management practices						
3	Possesses relevant qualifications, knowledge, experience and ability to understand the technical requirements, financial statements, risk and management of the company's business						
Section B : Contribution and Performance							
4	Probes management to ensure management has taken, and suggests management to take into consideration the varying opportunities and risks whilst developing the strategic plan (this plan may or may not be in writing as long as minutes of meeting provide a discussion of such strategy)						
5	Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements						
6	Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any						

PETRON MALAYSIA REFINING & MARKETING BHD [196001000260 (3927-V)]
- DIRECTORS' FIT AND PROPER POLICY

7	Receives feedback from board and/or committee and incorporates feedback obtained into the decision-making process in an objective manner					
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		Rating (Please tick(√) accordingly but if not applicable, please state as "Not Applicable")					
		Yes	No	1	2	3	4
8	Defends own stand through constructive deliberations at board and/or committee meetings, where necessary						
9	Tackles conflicts and takes part in proposing solutions						

Section B : Contribution and Performance

10	Offers practical and realistic advice to board and/or committee discussions						
11	Takes initiative to demand for additional information, where necessary						
12	Tests quality of information and assumptions						
13	Reviews and relates short-term concerns to long term strategy						
14	Contributes to risk management initiatives						
15	Contributes personal knowledge and experience into the consideration and development of strategy						
16	Facilitates objective-oriented decision-making process						
17	Prioritizes context of issues to be in line with objectives						
18	Effectively and proactively follows up on areas of concern						
19	Demonstrates willingness to devote time and effort to understand the company, its business and readiness to participate in events outside the boardroom, such as site visits						

Section C : Caliber and personality

20	Acts in good faith and with integrity						
21	Attends meetings well prepared and adds value to board and/or committee meetings						
22	Works constructively with peers, the company secretary and senior management						
23	Offers insight to matters presented with requisite knowledge and skills, and shares						

PETRON MALAYSIA REFINING & MARKETING BHD [196001000260 (3927-V)]
- DIRECTORS' FIT AND PROPER POLICY

	information					
24	Encourages others to get things done, is decisive and action-oriented					
25	Articulates in a non-confrontational and comprehensible manner					
26	Understands individual roles and responsibilities and ensures contribution is contemporary with developments					

		Rating (Please tick(√) accordingly but if not applicable, please state as "Not Applicable")					
		Yes	No	1	2	3	4
27	Behaviour engenders mutual trust and respect within the board and other key officers						
28	Communicates effectively with shareholders						
29	Constructively challenges and contributes to the development of strategy						
Section D : Completeness of Reviews							
30	Scrutinises the performance of management in meeting agreed goals and objectives, and monitors reporting of performance						
31	Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible						

Confirmed by:

Name:
 Designation:
 Date:

**PETRON MALAYSIA REFINING & MARKETING BHD [196001000260 (3927-V)]
- DIRECTORS' FIT AND PROPER POLICY**

Annexure 2

Name of Company: **PETRON MALAYSIA REFINING & MARKETING BHD ("the Company" and/or "PMRMB")**

Part A: Personal Details

1	Full Name	
2	Date of Birth	
3	NRIC No./Passport No.	
4	Citizenship	
5	Permanent Address	
6	Correspondence Address (if different from above)	
7	Telephone No.	
8	Email Address	

Part B: Education Background and Work Experience

No	Questions	Answers
1	Education Qualification (List all chronologically from the latest qualification)	
2	Work Experience (List all chronologically from the latest experience to the last) (Please use separate paper if required)	

PETRON MALAYSIA REFINING & MARKETING BHD [196001000260 (3927-V)]
- DIRECTORS' FIT AND PROPER POLICY

No	Questions	Answers
3	What do you consider to be your core area(s) of expertise?	
4.	From your research of PMRMB's business, what areas of expertise can you bring to the Board for the betterment of PMRMB?	

Part C: Directorship

1	List of Current and Past Directorship (Malaysian/Overseas) (Please use separate paper if required)	
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**PETRON MALAYSIA REFINING & MARKETING BHD [196001000260 (3927-V)]
 - DIRECTORS' FIT AND PROPER POLICY**

Part D: Declaration

No	Questions	Yes	No
1	<p>Do you have any family/business relationship with any Directors or any Petron personnel?</p> <p>For this purpose 'Petron' shall mean:</p> <ul style="list-style-type: none"> - Petron Corporation - Petron Malaysia Refining & Marketing Bhd - Petron Fuel International Sdn Bhd - Petron Oil (M) Sdn Bhd 		
		If yes, please state details.	
2	<p>Do you have any interest, both direct and indirect (including but not limited to shares / contracts / consultancy / advisory) in PMRMB or any Petron subsidiary/affiliate?</p>		
		If yes, please state details.	

PETRON MALAYSIA REFINING & MARKETING BHD [196001000260 (3927-V)]
- DIRECTORS' FIT AND PROPER POLICY

3	<p>Do you have any relatives currently working in any competitor organization of Petron / PMRMB in Malaysia?</p> <p>A 'competitor organization' would include another business entity that is involved in the same type of downstream oil & gas business as those conducted by Petron in Malaysia such as:</p> <ul style="list-style-type: none"> i. Retail fuel station business ii. Commercial fuel supply iii. Liquified petroleum gas business iv. Aviation fuel supply business v. Motor and industrial lubricant business 		
		If yes, please state details.	
No	Questions	Yes	No
4	<p>Have you ever been committed of any criminal offences (in Malaysia or overseas) including but not limited to commercial crimes, capital market offences, financial crimes or any offence involving dishonesty?</p> <p>For this purpose the payment of a compound shall also be disclosed.</p>		
		If yes, please state details.	

PETRON MALAYSIA REFINING & MARKETING BHD [196001000260 (3927-V)]
- DIRECTORS' FIT AND PROPER POLICY

5	<p>Are you currently and/or the company (in Malaysia or overseas) where you are a director been notified of any impending disciplinary or criminal proceedings or of any investigations, which might lead to such proceedings?</p>		
		If yes, please state details.	
6	<p>Have you or the company (in Malaysia or overseas) where you are a director contravened :</p> <ul style="list-style-type: none"> - The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, - the Malaysian Anti-Corruption Commission Act 2009, - the Companies Act 2016, Capital Markets and Services Act 2007 <p>or equivalent laws in jurisdictions outside Malaysia.</p>		
		If yes, please state details.	

**PETRON MALAYSIA REFINING & MARKETING BHD [196001000260 (3927-V)]
- DIRECTORS' FIT AND PROPER POLICY**

No	Questions	Yes	No
7	<p>Have you or the company where you are a director been reprimanded (privately or publicly) by the regulators namely, Bursa Malaysia, Securities Commission Malaysia and Suruhanjaya Syarikat Malaysia?</p>		
		<p>If yes, please state details.</p>	
8	<p>Have you involved in any business or relationship which could materially pose a conflict of interest or interfere with your judgment when acting as a director which is disadvantageous to the company?</p>		
		<p>If yes, please state details.</p>	
9	<p>Are you currently a bankrupt?</p> <p>Are you a 'discharged bankrupt?</p> <p>Have you been a Director / in Senior Management of a company that had been in receivership or was (or was in the process of being) wound-up during the time of your said directorship / management, or was so within six (6) months of your departure from the services of said company</p>		
		<p>If yes (to any of the questions), please state details.</p>	

**PETRON MALAYSIA REFINING & MARKETING BHD [196001000260 (3927-V)]
 - DIRECTORS' FIT AND PROPER POLICY**

No	Questions	Yes	No
10	Do you hold a post in any political party?		
		If yes, please state details.	

Part E: Others

No	Questions	Your Answer
1	What kind of time commitments do you now have for your current activities?	
2	What would your expectations be for the time necessary for PMRMB Board?	

I,.....(NRIC/Passport No:.....) hereby declare that the above responses are true and correct, as to the best of my knowledge. I further authorize the Company to conduct background check, if necessary, which may consist of prior employment verification, professional reference checks, education confirmation and/or criminal record and credit checks for the purpose of my appointment as a Director of PMRMB.

.....
Signature

.....
Name :
Date :