

**PETRA ENERGY BERHAD**

[Registration No. 200501036241 (718388-H)]  
(Incorporated in Malaysia)

**DIRECTORS' FIT & PROPER POLICY**

**1. Introduction**

The Board of Directors ("**the Board**") of Petra Energy Berhad ("**the Company**") believes that it is in the best interest of the Company and its stakeholders that its Directors have the required character, experience, integrity, competence, time and commitment to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Company and its subsidiaries ("**the Group**"). The scope of this Directors' Fit and Proper Policy ("**Policy**") applies to existing Directors of the Company seeking for re-appointment and candidates nominated for or being considered for appointment as a Director.

**2. Scope and Application**

The Company is obliged to comply with the requirements contained in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other applicable rules and regulations to ensure compliance with the obligations imposed.

Internal reference documents which are to be referred to the Policy include but are not limited to the following: -

- a) Board Charter;
- b) Terms of Reference of the Nominating Committee;
- c) Code of Conduct and Ethics; and
- d) Anti-Bribery Management System Manual.

**3. Duties and Responsibilities**

**i. The Board**

In this regard, the Board is ultimately responsible for ensuring that all existing Directors of the Company seeking for re-appointment and candidates nominated for or being considered for appointment as a Director of the Company fulfil the fit and proper requirements. The Board is also responsible for conducting assessments of the fitness and suitability of Directors of the Company.

**ii. Nominating Committee ("NC")**

The Board delegates the duty to perform fit and proper assessment on existing Directors of the Company seeking for re-appointment and candidates nominated or being considered for appointment as a Director to the NC based on the fit and proper criteria as tabulated in **Section 5 – Fit and Proper Criteria** and making recommendations to the Board on these matters for its review and decision.

**iii. Company Secretary**

The NC is assisted by the Company Secretary on the following duties:

- To minute the review, deliberation, results and recommendations of the NC on fit and proper assessment of the existing Directors or nominees, as applicable, during the meeting of the NC;
- To minute the Board's decision on the appointment and/or re-appointment;
- To ensure the completeness of all statutory documentations in relation to any appointment and/or re-appointment of Directors;
- To make the required disclosure, statutory lodgement and announcement under relevant laws and regulations, subject to authorisation from the Board;

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- To safekeep all the above documentations for the longest period required under relevant laws and regulations and make available such documentations for inspection by the Board, or the relevant regulatory bodies;
- To provide information and guidance to the NC and the Board on matters concerning the procedure for fit and proper assessments; and
- To ensure that the Company takes all reasonable steps to protect the information and documents collected for the fit and proper assessments from misuse and unauthorised access, modifications or disclosure.

**4. Timing of Review and Assessment**

A person who has been identified for appointment as a Director or for re-appointment as a Director of the Company shall be required to make the fit and proper declaration in the form as set out in Appendix "A" of this Policy or in such other forms as the Board may from time to time prescribe or approve.

A properly constituted and duly minuted meeting of the NC and the Board shall be held for the purpose of the fit and proper assessment, as applicable, in the following manner:

- For Re-Appointment of Existing Directors of the Company
  - Within three (3) months before the date of general meeting or such other shorter period as approved by the Board for the re-appointment.
- For candidates nominated for or being considered for appointment as Directors of the Company
  - Within three (3) months before the date of appointment to the Board of the Company or such other shorter period as approved by the Board.

**5. Fit and Proper Criteria**

For the purpose of establishing whether a person is fit and proper to act as a Director, the NC and the Board should consider factors that include but are not limited to the following: -

**(A) Character and integrity**

**i. Probity**

- a) Is compliant with legal obligations, regulatory requirements and professional standards.
- b) Has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

**ii. Personal integrity**

- a) 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.
- b) Service contract (i.e., in the capacity of management or a director) had not been suspended or terminated in the past due to concerns on personal integrity or questionable conduct.

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- c) Has not abused other positions (i.e., political appointment) to facilitate government relations for the Company or any other entity in a manner that contravenes the principles of good governance.
- d) Whether the person is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a director which would be disadvantageous to the interest of the Company and/or its subsidiaries.
- e) Whether the person is free from discrimination on any ground and from harassment at work including sexual harassment.

**iii. Financial integrity**

- a) Manages personal debts or financial affairs satisfactorily.
- b) Demonstrates ability to fulfil personal financial obligations as and when they fall due.

**iv. Reputation**

- a) Is of good repute in the financial and business community.
- b) Has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past ten (10) years.
- c) Has not been directly or 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 quality of oversight or business management.

**(B) Experience and competence**

Experience and competence can be demonstrated as a person must have the necessary qualification, training, skills, ability, experience, expertise, and relevant performance to carry out the role. In assessing a person's level of experience and competence, the Board and NC shall consider factors which include, but are not limited to the following: -

**i) Qualifications, training, and skills**

- Possesses education qualification that is relevant to the skill set that the director is earmarked or expected 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 including the governance framework and operating structure.
- 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.
- Accomplishments, experience and reputation in the Oil and Gas industry and other relevant sectors.

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**iii) Relevant past performance or track record**

- 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.
- Possesses acceptable or commendable past performance record as gathered from the results of the Board effectiveness evaluation.

**(C) Time and commitment**

Time and commitment can be demonstrated as a person must be able to give full commitment in respect of his or her sufficient time, interest and attention to the Company's business. In assessing a person's level of time and commitment, the Board and NC shall consider factors which include, but are not limited to the following: -

**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**

- a) Demonstrates willingness to participate actively in Board deliberation.
- b) Demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.
- c) Manifests passion in the vocation of a Director.
- d) Exhibits ability to articulate views independently, objectively and constructively.
- e) Exhibits open-mindedness to the views of others and ability to make considered judgment after hearing the views of others.
- f) Assist and support Management and providing useful directions and insights to contribute to continuous business and organisational improvements and Company's success.

**6. Review and Approval of This Policy**

This Policy was adopted by the Board on 29 June 2022.

This Policy will be reviewed by the Board as and when required and will be updated in accordance with the needs of the Group and where necessary, i.e. where there are changes to regulatory requirements.

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**APPENDIX A**

*[By a New and Prospective Director]; or  
[By existing Director who retires by rotation and being eligible, offers himself/herself for re-election]*

Date:

**BOARD OF DIRECTORS  
PETRA ENERGY BERHAD**

Suite 13.02, Level 13,  
Menara OBYU,  
4, Jalan PJU 8/8A,  
Bandar Damansara Perdana,  
47820 Petaling Jaya,  
Selangor Darul Ehsan

Dear Sir / Madam,

**RE: DIRECTOR'S DECLARATION OF FIT AND PROPER**

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I, [NRIC/ Passport No.] of [residential address], do hereby solemnly and sincerely AFFIRM and DECLARE that I have complied with the following fit and proper criteria as set out in the Directors' Fit and Proper Policy of the Company: -

- i) CHARACTER AND INTEGRITY;**
- ii) EXPERIENCE AND COMPETENCE; AND**
- iii) TIME AND COMMITMENT**

*Remark / Explanation (if any):*

Thank you.

Yours faithfully,

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Name :  
Date :