

## **1. INTRODUCTION**

The Board of Directors (“**Board**”) of Securemetric Berhad (the “**Company**”) and its subsidiaries (the “**Group**”) has adopted the Fit and Proper Policy to ensure a formal, rigorous and transparent process for the appointment and re-election of Directors and senior management of the Company and its subsidiaries.

In formulating this policy, the Company is obliged to comply with the requirements contained in the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad and other applicable rules and regulations at the prevailing country to ensure compliance with the obligations imposed.

## **2. OBJECTIVES**

This Policy aims to guide the Company’s Nomination Committee and the Board in their review and assessment of candidates who are to be appointed onto the Board as well as directors who are seeking for re-election.

The general criteria that form the overarching criteria in relation to the Policy are outlined below:

- a) Character and integrity;
- b) Experience and competence; and
- c) Time and commitment

## **3 FIT AND PROPER CRITERIA**

The general criteria that may form the overarching criteria in relation to this fit and proper policy are outlined below:

### **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(s) (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity
- 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

(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 financial and business community
- has not been the subject of civil or 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

**Experience and competence**

(i) Qualifications, training and skills

- 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)
- has a considerable 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 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 commendable past performance record as gathered from the results of the board effectiveness evaluation

**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

#### **4. PROCEDURE FOR FIT AND PROPER ASSESSMENT**

- 4.1 The fit and proper assessments on each person within the scope of this policy document shall be conducted both prior to initial appointments or whenever the Group becomes aware of information that may materially compromise a person's fitness and properness.
- 4.2 The Group must support the fit and proper assessments with relevant information in relation to the person being assessed. Where significant reliance is placed on information that is obtained from the person being assessed, and that information is material to the determination of the person's fitness and properness, the Group shall take reasonable steps to verify the information against independent sources.
- 4.3 The Group shall have regard to the factors set out in Section 3 in assessing a person's fitness and properness. The Group shall assess the factors individually, as well as collectively, taking into account their relative importance.
- 4.4 Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The Group should consider the circumstances surrounding a person's failure to meet specific factors, including the lapse of time since the occurrence of events, other contributing factors and the potential risks posed to the Group.
- 4.5 The assessment process will involve a good measure of judgement, which should be exercised objectively and in the best interests of the Group. The Group should consider that information relevant to such assessment may vary depending on the degree of an individual's influence and responsibilities in the affairs of the Group.

#### **5. PERIODIC REVIEW AND DISCLOSURE**

- 5.1. This Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary in accordance with the needs of the Company, the AMLR and/or any other applicable laws enforced at the time being.
- 5.2. Whilst the Company should disclose the customised considerations and expectations in this Policy, the Company will not disclose any sensitive and confidential information.

This policy was adopted by the Board on 30 May 2022.