

**DIRECTORS' FIT AND PROPER POLICY**

**1. OBJECTIVE**

- 1.1 The objective of this Directors' Fit and Proper Policy ("**Policy**") is to guide the Nomination Committee ("**NC**") and the Board of Directors ("**Board**") in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election in Semico Capital Berhad (the "**Company**") and its subsidiaries (the "**Group**").
- 1.2 This Policy is establish to ensure that the Board addresses governance matters related to the Board's quality and integrity and that each of the Directors has the character, experience, integrity, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Group and its stakeholders.
- 1.3 The fit and proper criteria will be applicable at the time of appointment as a Director and on a continuing basis as all Directors of the Company and/or its subsidiaries are expected to conduct themselves with highest integrity and professionalism as well as to comply with all relevant legal and regulatory obligations.

**2. FIT AND PROPER CRITERIA**

- 2.1 The considerations underpinning the "fit and proper" criteria of Directors includes but are not limited to the following:

**2.1.1 Character and Integrity**

**(a) Probity**

- (i) comply with legal obligations, regulatory requirements and professional standards.
- (ii) have not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
- (iii) have not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters with respect to the person's honesty, integrity or business conduct.
- (iv) free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his or her judgement when acting in the capacity of a Director which would be disadvantageous to the Group or its interests.

**(b) Financial Integrity**

- (i) manage personal debts or financial affairs satisfactorily.
- (ii) demonstrate the ability to fulfil personal financial obligations as and when they fall due.
- (iii) have not been subjected to a judgment debt that is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.
- (iv) have not filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction.

**(c) Personal integrity, honesty and ethical behaviour**

- (i) have 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 contracts (i.e. in the capacity of management or Director) have not been terminated in the past due to concerns about personal integrity.
- (iii) have no concurrent responsibilities or interests which would contribute to a conflict of interest situation or otherwise impair the ability to discharge duties and responsibilities as Director of the Company and/or its subsidiaries.
- (iv) have not abused other positions (i.e. that he or she has held) in a manner that contravenes principles of good governance and professional ethics.

**(d) Reputation**

- (i) are of good repute in the financial and business community.
- (ii) have not been convicted for offences nor has any public sanction or penalty been imposed by the relevant regulatory bodies, in managing or governing an entity for the past 10 years, or have been notified of any impending proceedings or of any investigations, which might lead to such proceedings.
- (iii) have not contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice.
- (iv) are not active politicians and have not held a position with high political influence in the past two (2) years.
- (v) have 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.

**2.1.2 Experience, Competence and Capability**

**(a) Qualifications, training and skills**

- (i) possess education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the Board (i.e. a match to the Board skill set matrix).
- (ii) have a considerable understanding of the business and workings of a corporation.
- (iii) possess general management skills as well as an understanding of corporate governance best practices and sustainability (i.e. Environment, Social and Governance) issues.
- (v) keep knowledge current based on continuous professional development.
- (vi) possess leadership capabilities and a high level of emotional intelligence.

**(b) Relevant experience and expertise**

- (i) possess 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.

**(c) Relevant past performance or track record**

- (i) had careers of occupying a high-level position in a comparable organisation and were accountable for driving or leading the organisation's governance, business performance or operations.

- (ii) possess commendable past performance records as gathered from the results of the Board effectiveness evaluation (applicable for re-election and re-appointment of Directors).

### **2.1.3 Time and commitment**

#### **(a) Ability to discharge role having regard to other commitments**

- (i) able to devote time as Board members, having factored other outside obligations including concurrent Board positions held by the Directors across listed issuers and non-listed entities (including not-for-profit organisations).
- (ii) the directorships held by any Board member at any one time shall not exceed five (5) in listed companies.

#### **(b) Participation and contribution in the Board or track record**

- (i) demonstrate willingness to participate actively in Board activities.
- (ii) demonstrate willingness to devote time and effort to understand the businesses and exemplify readiness to participate in events outside the boardroom.
- (iii) manifest passion in the vocation of a Director.
- (iv) exhibit the ability to articulate views independently, objectively and constructively.
- (v) exhibit open-mindedness to the views of others and the ability to make considered judgments after hearing the views of others.

## **3. EVALUATION OF A CANDIDATE FOR DIRECTORSHIP OR RE-ELECTION OF RETIRING DIRECTOR**

- 3.1 The NC (with the assistance of the Company Secretary, where appropriate) is responsible for the assessment of existing Directors or candidates for nomination or appointment as a Director of the Company or re-appointment of existing Directors and making recommendations to the Board on these matters.
- 3.2 The fit and proper assessments on each Director 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 a Director's fitness and propriety. The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.
- 3.3 For new appointment as Directors, the NC will evaluate candidates based on the fit and proper criteria as spelt out in 2.1 above before recommending to the Board for approval.
- 3.4 For new appointments, the candidates are required to complete the Prospective Directors Information form together with a self-declaration of fit and proper form and authorise the Company to perform background checks, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.
- 3.3. For the re-election of retiring Directors, the Directors will be evaluated based on the Board Evaluation Form. The NC has the power not to recommend to the Board the re-election of retiring Directors who do not meet the policy requirements.
- 3.4 The information gathered from the assessments shall be for the NC's strict use for the purpose of the assessment and not for public disclosure.
- 3.5 The Human Resources Department of the Company shall maintain the record of the fit and

proper assessment for the covered persons.

#### **4. COMPANY SECRETARY'S RESPONSIBILITY**

The Company Secretary is responsible for applying this Policy:-

- (a) Ensure appropriate fit and proper assessments are carried out for each Director;
- (b) Ensure a regular review on the Directors is conducted;
- (c) Making submissions about any matters that are relevant to a particular assessment of a Director's fitness and propriety;
- (d) Providing information to the NC on matters concerning the procedure for fit and proper assessments; and
- (e) Ensure that the Company takes all reasonable steps to protect the information and documents collected for fit and proper assessments from misuse, unauthorized access, modification or disclosure.

#### **4. REVIEW OF THE POLICY**

4.1 The NC shall periodically review this Policy and make the appropriate recommendation to the Board on any proposed amendments to the Policy it may deem necessary in accordance with the needs of the Company, the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements ("**Listing Requirements**") and/or any other applicable laws enforced at the time being. All revisions or amendments to this Policy, as recommended by the NC, will be submitted to the Board for consideration and approval.

4.2 Pursuant to Rule 15.08A(3) of the Listing Requirements, the Company shall disclose in its annual report, a statement about the activities of the NC in the discharge of its duties for the financial year which includes the application of the Policy in the nomination and election of its Directors, how the requirements set out in Rule 2.20A of the Listing Requirements are met and contain the following information:-

- (a) the policy on board composition having regard to the mix of skills;
- (b) independence and diversity (including gender diversity) required to meet the needs of the listed issuer;
- (c) the Board nomination and election process of Directors and criteria used by the NC in the selection process; and
- (d) the assessment undertaken by the NC in respect of the performance of its Board, committees and individual Directors together with the criteria used for such assessment.

#### **5. PUBLICATION ON THE CORPORATE WEBSITE**

In line with the Listing Requirements, copy of this Policy is available on the Company's corporate website.

#### **6. EFFECTIVE DATE**

The Directors' Fit and Proper Policy has been adopted by the Board on 21 May 2025.

**END**