



(Registration No. 196701000055 (7029-H))

## **DIRECTORS' FIT AND PROPER POLICY**

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**A. Introduction**

An effective board essentially consists of directors who are engaged, committed and well-informed and who possess diverse skills and experience relevant to the business.

The Board of Directors ("the Board") of I-Berhad ("the Company") recognises that size, composition and leadership qualities will bring about a competitive advantage that brings real value to the Board to cater for the changing needs of the Company. The criteria used in the recruitment and screening process of prospective Directors takes into account not only the experience, skills and competencies but also the diversity of the Board with the ultimate goal of improving board independence and quality.

**B. Scope of Policy**

This Policy outlines the criteria, formal procedure and process for identifying and evaluating potential candidates who are to be appointed as Directors of the Company and its subsidiaries (collectively "the Group") as well as Directors who are seeking for re-election.

**C. Objective**

The objective of this Policy is to guide the Nomination Committee ("NC") and the Board in their review and assessment of candidates for directorship. This Policy defines the "fit and proper" criteria to ensure that only high caliber individuals with the right mix of qualifications and competence are appointed to the Board of the Company and of the Group.

**D. Recruitment Criteria**

The NC will consider the following in the recruitment/ re-appointment/ re-election of potential Directors:

(1) the 'fit and proper' criteria that includes the following:

a) 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 (i.e., in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity

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- 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
- b) 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
- c) 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)

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- 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 consideration.
- (2) in the case of candidates for the position of Independent Non-Executive Directors, the potential Directors' ability to discharge such responsibilities or functions as expected from them. They must satisfy the independence criteria as defined under the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and they should not hold more than five (5) directorships in public listed companies at one time to ensure that they would be able to devote sufficient time and commitment to the Company;
- (3) the diversity requirements of the Board with regards to gender, age, tenure, cultural diversity, and international expertise where the Company has operations in foreign jurisdictions. However, there shall be no discrimination of whatsoever nature in respect of age or race or ethnicity during the selection process.

**E. Board Recruitment Process**

The NC has the primary responsibility for ensuring a formal and transparent procedure for the appointment of new Directors is in place.

The process for recruiting a new candidate is set out below:

- (1) Where there is a vacancy in the Board seat or a need to have additional Director on the Board, the NC will commence a search process across a diverse candidate pool.
- (2) Candidates may be proposed by the Chairman and/or Managing Director and within the bounds of practicability, by any director or shareholder or any senior management personnel. The NC may also utilise independent sources to identify suitably qualified candidates.
- (3) The potential candidates are required to complete the Prospective Director's Information and Declaration in the format set out in **Appendix A and B** or in such other format which may be prescribed by the Company from time to time.
- (4) After examining the information and declaration supplied in Item 3 above, the potential candidates will be assessed and screened by the NC based on the criteria as set out in the Recruitment Criteria above and any other criteria which the NC deems appropriate.
- (5) A discussion will be arranged with the potential candidates.

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- (6) The potential candidates must disclose the nature and extent of their other appointments on other boards; interests, whether direct or indirect, in the Company or any of its subsidiaries; activities related to the business or operations of the Company (if any) and conflict of interest (if any).
- (7) The NC will recommend the potential candidates to the Board.
- (8) The ultimate decision on the appointment of a new Director will be made by the Board.
- (9) Once the Board has approved the candidate and upon acceptance of the offer, the successful candidate would be appointed as Director of the Company subject to the necessary documentation and filings required under the Listing Requirements of Bursa Securities and Companies Act 2016.
- (10) Management must schedule a proper induction for the new Board member as soon as practicable.

**F. Evaluation for Re-appointment/ Re-election**

- (1) The NC will assess the Directors who are subject to re-appointment or re-election based on the criteria as set out in the Recruitment Criteria above and any other criteria which the NC deems appropriate before recommending to the Board for approval.
- (2) The Directors will also be evaluated based on the results of the Directors' Assessment as set out in **Appendix C**.

**G. Review of Policy**

This Policy shall be reviewed by the NC and the Board on an annual basis and revised as appropriate to ensure compliance with prevailing rules, guidelines and best practices.

This Directors' Fit and Proper Policy has been adopted by the Board on 7 June 2022.

## Prospective Director's Information

## Section A: Personal details

<b>Full Name:</b>	
<b>NRIC/Passport No.:</b>	
<b>Date of Birth:</b>	
<b>Race:</b>	
<b>Nationality:</b>	
<b>Gender:</b>	<b>M [ ] F [ ]</b>
<b>Residential Address:</b>	
<b>Correspondence Address: (if different from above)</b>	
<b>Telephone No.:</b>	
<b>Email Address:</b>	

**Section B: Education and Employment Details**

**1. Education Qualification**

<b>Degree/Professional qualification(s)</b>	<b>Name of school/university</b>	<b>Year obtained</b>

**2. Employment History**

<b>From / To</b>	<b>Designation / Position</b>	<b>Employer</b>



**3. Areas of Expertise / Experience (please tick)**

Strategy and entrepreneurship	
Legal and regulatory requirements	
Corporate governance, risk management and internal controls	
Audit, accounting, financial reporting and taxation	
Human capital	
Sales and marketing	
Information technology	
Production and quality assurance	
Sustainability / Environmental, Social and Governance (ESG)	
Others: Please state	

**Section C: Directorship (current and past directorships in the past 5 years)**

<b>From / To</b>	<b>Designation / Position</b>	<b>Company</b>

## Prospective Director's Declaration Form

I, ..... (full name), ..... (NRIC. No.), hereby declare the following: *(please tick (/) whichever applicable)*

1.	I have not been subject to any proceedings of a disciplinary or criminal nature, or have been notified of any impending proceedings or of any investigations, which might lead to such proceedings.	
2.	In civil cases, I have not admitted liability or been found liable by any court for fraud or dishonesty under any jurisdiction.	
3.	I have not been refused the right to carry on any trade, business or profession for which a specific authorisation by any regulatory authority, professional body or government agency is required by law in any jurisdiction.	
4.	I have not been dismissed, asked to resign or have resigned from employment or from holding office as a director of a company because of negligence, incompetence, fraud or mismanagement.	
5.	I have not been a director of, or directly concerned in the management of, any corporation that violated any provision made by or under any written law such as 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 and any other applicable laws.	
6.	I have not been a director of, or directly concerned in the management of, any corporation which has been reprimanded by any regulatory authorities including Bursa Malaysia Securities Berhad, Securities Commission Malaysia and Suruhanjaya Syarikat Malaysia.	
7.	I have not been a director of, or directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia, or of any licensed institution, the license of which has been revoked under any written law.	
8.	I have not objected or been unwilling to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory and professional requirements or standards.	
9.	I have not in the past acted unfairly or dishonestly in the dealings with customers, employer, auditors and regulatory authorities.	
10.	I have no conflict or potential conflict of interest (direct or indirect) that affects, or may affect, my proper performance of the duties of this position which is disadvantageous to the Company.	
11.	I have met relevant solvency requirements imposed upon me.	

**APPENDIX B (cont'd)**

**Prospective Director's Declaration Form (cont'd)**

12.	To my knowledge, no financial penalty has been imposed upon me or any enforcement action taken against me by a professional or financial regulatory authority in any jurisdiction.	
13.	I have not filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction.	
14.	I have been and will be able to fulfil my financial obligations, whether within or outside Malaysia, as and when they fall due.	
15.	<p>I am not, currently not and will not be an active politician during my tenure as a director of your Company.</p> <p>“active politician” is defined as a person who is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party.</p>	

*(\*Please provide elaboration on a separate sheet for those boxes which are not ticked)*

I hereby agree that I-Berhad may conduct checks on me and obtain references to establish that I am a fit and proper person, and hereby give my consent to you to perform any relevant checks on me including criminal history checks and professional and occupational checks in Malaysia and overseas if required, and that any false statement I make in this declaration may lead to dismissal or removal from the Board or from the position I have been appointed to.

Signature: .....

Name: .....

Date: .....

## APPENDIX C

### Directors' Assessment Form

Tick with "√" the response that best reflects your opinion. The rating scale for each statement is:

(1) Strongly Agree (2) Agree (3) Maybe or Not Sure (4) Disagree (5) Strongly Disagree

#### A. HOW WELL HAS THE BOARD DONE ITS JOB?

		1	2	3	4	5
1.	Our organisation has a three to five-year strategic plan or a set of clear long range goals and priorities.					
2.	The board's meeting agenda clearly reflects our strategic plan or priorities.					
3.	The board has ensured that the organisation also has a one-year operational or business plan.					
4.	The board gives direction to the management on how to achieve the goals primarily by setting or referring to policies.					
5.	The board ensures that the organisation's accomplishments and challenges are communicated to members and stakeholders.					
6.	The board has ensured that members and stakeholders have received reports on how our organisation has used its financial resources.					
7.	The board has full and common understanding of the roles and responsibilities of a board.					
8.	The board members understand the organisation's mission and its products / programs.					
9.	The structural pattern (board and committees) is clear.					
10.	The board has clear goals and actions resulting from relevant and realistic strategic planning.					

**APPENDIX C (cont'd)**

**A. HOW WELL HAS THE BOARD DONE ITS JOB? (cont'd)**

		1	2	3	4	5
11.	The board attends to policy-related decisions which effectively guide operational activities of the management.					
12.	The board receives regular reports on finances/budgets, products/program performance and other important matters.					
13.	The board effectively represents the organisation to the community.					
14.	The board meetings facilitate focus and progress on important organisational matters.					
15.	The board regularly monitors and evaluates progress toward strategic goals and product/ program performance.					
16.	Each member of the board feels involved and interested in the board's work.					
17.	All necessary skills, stakeholders and diversity are represented on the board.					

**APPENDIX C (cont'd)**

**B. HOW WELL HAS THE BOARD CONDUCTED ITSELF?**

		1	2	3	4	5
18.	Board members are aware of what is expected of them.					
19.	The agenda of board meetings is well planned so that we are able to get through all necessary board business.					
20.	All board members come to meetings prepared.					
21.	We receive written reports to the board in advance of our meetings.					
22.	All board members participate in important board discussions.					
23.	We do a good job encouraging and dealing with different points of view.					
24.	We all support the decisions we make.					
25.	The board has taken responsibility for recruiting new board members.					
26.	The board has planned and led the orientation process for new board members.					
27.	The board has a plan for director education and further board development.					

**APPENDIX C (cont'd)**

**C. PERFORMANCE OF INDIVIDUAL BOARD MEMBERS *(Not to be shared)***

		1	2	3	4	5
28.	I am aware of what is expected of me as a board member.					
29.	I have a good record of meeting attendance.					
30.	I read the minutes, reports and other materials in advance of our board meetings.					
31.	I am familiar with what is in the organisation's governing policies.					
32.	I frequently encourage other board members to express their opinions at board meetings.					
33.	I am encouraged by other board members to express my opinions at board meetings.					
34.	I am a good listener at board meetings.					
35.	I follow through on things I have said I would do.					
36.	I maintain the confidentiality of all board decisions.					
37.	When I have a different opinion than the majority, I raise it.					
38.	I support board decisions once they are made even if I do not agree with them.					
39.	I promote the work of our organisation in the community whenever I had a chance to do so.					
40.	I stay informed about issues relevant to our mission and bring information to the attention of the board.					

**APPENDIX C (cont'd)**

**Please list the three to five points on which you believe the board should focus its attention in the next year. Be as specific as possible in identifying these points.**

**1.**

**2.**

**3.**

**4.**

**5.**

Assessed by:

.....  
Name of Director  
Date: