

## **1. INTRODUCTION**

The Fit and Proper Policy serves to guide the Nomination Committee (“NC”) and the Board of Directors (“Board”) of Nexgram Holdings Berhad (“NEXGRAM”) in their review and assessment of candidates who are to be appointed to the Board as well Directors who are seeking for re-election to the Board of NEXGRAM and its subsidiaries.

## **2. OBJECTIVES**

The objectives of this Policy are to :

- (a) set out the criteria for the selection of candidates who are proposed to be appointed as Directors as well as the re-election of Directors on the Boards of NEXGRAM and its subsidiaries.
- (b) ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of NEXGRAM and its subsidiaries.

## **3. RESPONSIBILITY**

### **3.1 The Board’s Commitment and Responsibilities**

In the application of this Policy, the Board and NC are primarily responsible to ensure that all Directors fulfil the fit and proper criteria and for conducting assessments of the fitness and propriety of candidates to be appointed to the Board and Directors who are seeking for re-election. For other key management personnel, decisions on appointments and assessments of the fitness and properness may be made by the Chief Executive Officer or designated personnel under the delegated authority of the Board and NC.

The Board is committed to ensuring that each person who holds a Director position has the appropriate skills and experience in line with the role that they hold, and will make all final determinations on the fitness and propriety of the person.

### **3.2 NC’s Responsibilities**

The NC is responsible for the assessment of existing Directors seeking re-election or candidates for nomination or appointment as a Director of the Group, and making recommendations to the Board on these matters.

## **4. FIT AND PROPER CRITERIA**

The fit and proper criteria of a Director or key management personnel include but not limited to the following:

### **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
  - has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect to the person’s honesty, integrity or business conduct.
- (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 no concurrent responsibilities or interest 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
- 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
- has not been subjected to a judgment debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.

(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 reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Suruhanjaya Syarikat Malaysia, Bank Negara Malaysia or any other regulatory authorities both locally or abroad.
- 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 business and workings of a corporation
- possesses general management skills as well as understanding of corporate governance and sustainability issues
- is financial literate, in particular the ability to read and understand financial statements.
- 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 judgement after hearing the views of others

**5. PROCEDURE FOR FIT AND PROPER ASSESSMENT**

- 5.1 The fit and proper assessments on each person within the scope of this Policy 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 propriety.
- 5.2 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 propriety, the Group shall take reasonable steps to verify the information against independent sources.
- 5.3 The Group shall have regard to the factors set out in Section 4 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.
- 5.4 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.
- 5.5 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.
- 5.6 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

**6. PERIODIC REVIEW AND DISCLOSURE**

- 6.1. The NC shall recommend any change to the Policy as the NC deems appropriate to the Board for approval.
- 6.2. The Board should disclose the application of the Company's Fit and Proper Policy in the nomination and election of its Directors in the annual report.

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