

# FIT AND PROPER POLICY

## 1. INTRODUCTION

The Board of Directors (the “Board”) of SBS NEXUS BERHAD (“SBS Group” or the “Company”) provides strategic leadership that influences the financial position and future direction of the Group. Directors are required to possess the competence, character, diligence, honesty, integrity and judgement to properly perform their duties, in tandem with good corporate governance practices.

Accordingly, the Group must prudently manage the risk to its business and financial standing; and that all Directors are fit and proper. Hence, clear parameters on the selection process of Directors are important in championing for qualified appointments at the leadership level.

This policy serve to guide the Nomination Committee and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election.

## 2. OBJECTIVES

This policy is designed to:

- a) Set out the Group’s approach to the assessment of the fitness and properness of candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election;
- b) Improve the overall quality of directors; and
- c) Promote greater transparency on the criteria for board appointments.

## 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 or within the Group.
- (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 and respected in the 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;

### **Experience and Competency**

- (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.
  - 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 no listed entities (including not-for-profit organisations).
- (ii) Participation and contribution in the Board or Track Record
- demonstrates willingness to participate actively in board or the Group's activities.
  - demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom or the Group.
  - 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. THE FIT AND PROPER ASSESSMENT**

- (i) The fit and proper assessments shall be conducted:
  - for initial appointment of Directors;
  - for the re-election of Directors on an annual basis; or
  - whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.
- (ii) The fit and proper assessments for Directors of SBS shall be conducted by the NC before recommending to the Board for approval.
- (iii) The fit and proper assessments for Directors of subsidiaries shall be delegated to and conducted by the respective subsidiaries' board of directors.
- (iv) The results of the assessments are part of the Group's confidential internal documents and shall not be disclosed or provided to any other party.

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

The Nomination Committee should conduct a periodic review of the criteria to be used in the fit and proper assessment of Directors. The Nomination Committee ("NC") should promptly communicate the new changes or amendments of the criteria to the Board and individual Directors.

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 policy has been adopted by the Board of Directors on 27 September 2024.