



DIRECTORS' FIT AND PROPER POLICY

UZMA BERHAD
[Registration No. 200701011861 (769866-V)]
[Incorporated in Malaysia]

1. DEFINITIONS

"the Company"	:	Uzma Berhad
"Board"	:	Board of Directors of the Company
"Group"	:	Uzma Berhad and its subsidiaries
"NRC"	:	Nomination and Remuneration Committee
"Responsible Person" or "Responsible Persons"	:	The existing directors or candidate(s) for nomination or re-election as director of the Group, as the case may be
"Policy"	:	The Directors' Fit and Proper Policy of the Group

2. PURPOSE

The purpose of this Policy is to set out the Group's approach to the assessment of fitness and propriety of Responsible Persons to ensure they have the character, experience, integrity, competence, and commitment of time to effectively discharge their roles and responsibilities. This includes diligence, honesty, and judgment to perform the duties of their positions properly, in tandem with good corporate governance practices. This Policy is designed to be a risk treatment plan for the risks posed to the Group from having persons who are not fit and proper acting in Responsible Person positions.

3. POLICY STATEMENT

With a view to achieving sustainable development, the Group is committed to the highest standard of integrity, openness, and accountability in the conduct of its businesses and operations. This Policy is intended to address the governance of the quality and integrity of the Responsible Persons.

4. RESPONSIBILITY

4.1. The Board's Commitment and Responsibility

In the application of this Policy, the Board and NRC are primarily responsible for ensuring that all Responsible Persons fulfill the fit and proper criteria and requirements and for conducting assessments of the fitness and propriety of Responsible Persons. Ultimately, the Board will make all final determinations on their fitness and propriety.

4.2. The NRC's Responsibility

The NRC is responsible for the following:

- i. Assessing existing directors or candidates for nomination or appointment as a director of the Company and making recommendations to the Board on these matters;
- ii. Ensuring that appropriate fit and proper assessments are carried out for each Responsible Person;
- iii. Reporting to the Board any matters that are relevant to a particular assessment of a Responsible person's fitness and propriety;
- iv. Providing information to the Board on matters concerning the criteria and procedure for fit and proper assessments, including addressing any gaps in the assessment.
- v. Ensuring that the Group takes all reasonable steps to protect the information and documents collected for fit and proper assessments from misuse, unauthorized access, modifications, or disclosure.

5. FIT AND PROPRIETY STANDARDS

The NRC shall periodically propose potential/new candidates to the Board and for the assessment of all Responsible Persons. The NRC shall use the principles underpinning the criteria listed below to assess the suitability of candidates prior to recommending them to the Board for appointment and reappointment, as well as the fitness and propriety of the Responsible Persons. The assessment shall consider the criteria set out in Paragraph 5.1 of this Policy.

5.1. Fit and Proper Criteria

For the purpose of establishing whether a person is fit and proper to hold the Responsible Person's position, the Company shall consider the person's:

- (a) Character and Integrity – probity, honesty, personal integrity, financial integrity and reputation.
- (b) Experience and Competence – qualifications, training and skills, relevant experience and expertise, relevant past performance or track record.
- (c) Time and Commitment – ability to discharge role having regard to other commitments, participation, and contribution in the Board or track record.

The assessment of the above criteria shall consider the considerations set out below in paragraphs 5.1.1 to 5.1.3 of this Policy.

5.1.1. Character and Integrity

In assessing the person's character and level of integrity to hold the position as director, key officer, or senior management, the NRC and the Board should consider matters including, but not limited to, the following:

Probity

- (a) Whether the person has complied with legal obligations, regulatory requirements, and professional standards, and has not been the subject of any legal or disciplinary proceedings, either civil or criminal in nature, in Malaysia or elsewhere.
- (b) Whether the person has at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities, resulting in a failure or potential failure to comply with legal, regulatory, and professional requirements and standards.

Personal Integrity

- (a) Whether the person has engaged in business practices that are deceitful, oppressive, improper (whether unlawful or not), or otherwise reflects discredit on their professional conduct.
- (b) Whether the person has been terminated, asked to resign, or has resigned from employment in the past due to personal integrity issues.
- (c) Whether the person has abused other positions (e.g., political appointments) to facilitate government relations for the Company in a manner that contravenes the principles of good governance.

Financial Integrity

- (a) Whether the person manages personal debts or financial affairs satisfactorily.
- (b) Whether the person demonstrates the ability to fulfill personal financial obligations as and when they fall due, either in Malaysia or elsewhere.

- (c) Whether the person has been substantially involved in a business or company in a management role that has failed, gone into receivership, insolvency, or involuntary liquidation due to incompetence and deficiencies in that management.
- (d) Whether the person is financially healthy, not an undischarged bankrupt, or the subject of a judgment debt that has not been satisfied in whole or in part.

Reputation

- (a) Whether the person is of good repute in the financial and business community.
- (b) Whether the person has been the subject of civil or criminal proceedings or enforcement action in managing or governing an entity over the past ten (10) years, either in Malaysia or elsewhere.
- (c) Whether the person has been substantially involved in the management of a business or company that has failed, whether that failure has been occasioned in part by deficiencies in that management.

5.1.2. Experience

Experience and competence are demonstrated by a person who possesses the relevant education, knowledge, ability, experience, and competence to understand the technical requirements of the business and the management processes required to perform their role as a Responsible Person effectively.

In assessing the person's experience and competence, the NRC and the Board should consider matters including, but not limited to the following:

Qualifications, Training, and Skills

- (a) Whether the person has the appropriate education, qualifications, and training relevant to the skillset that the director is expected to bring to the boardroom (i.e., matches the Board's skill set matrix).
- (b) Whether the person has satisfactory past performance or expertise and/or experience in leading or driving governance, business performance, or operations with a good past performance track record as gathered from the board effectiveness evaluation.

- (c) Whether the person possesses general management skills and understands corporate governance and sustainability issues.
- (d) Whether the person keeps their knowledge current through continuous professional development.
- (e) Whether the person possesses management and leadership capabilities and a high level of emotional intelligence.

Relevant Experience and Expertise

- (a) Whether the person possesses relevant experience and expertise, with due consideration given to the past length of service, nature and size of business, responsibilities held, number of subordinates, reporting lines, and delegated authorities.

Relevant Experience and Expertise

- (a) Whether the person has held a high-level position in a comparable organization and was accountable for driving or leading the organization's governance, business performance, or operations.
- (b) Whether the person possesses a commendable past performance record as gathered from the results of the board effectiveness evaluation (for re-election of a Director).

5.1.3. Time and Commitment

In assessing the person's time and commitment, the NRC and the Board should consider matters including, but not limited to, the following:

Ability to Discharge Role Having Regard to Other Commitments

- (a) Whether the person is able to devote time as a board member, factoring in other outside obligations, including concurrent board positions held by the director across the Company and other listed or non-listed companies (including not-for-profit organizations).
- (b) Whether the person has the ability to discharge the role and responsibility of the position, has the passion of a director, and actively exhibits the ability to articulate views independently, objectively, and constructively in board meetings.

- (c) Whether the person exhibits open-mindedness to the views of others and can make a considered judgment after hearing the views of others.

Participation and Contribution on the Board or Track Record

- (a) Demonstrates willingness to participate actively in board activities.
- (b) Demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.
- (c) Manifests passion in the vocation of a director.
- (d) Exhibits the ability to articulate views independently, objectively, and constructively.
- (e) Exhibits open-mindedness to the views of others and can make a considered judgment after hearing the views of others.

6. ASSESSMENT PROCESS

6.1. Assessment Process

The fit and proper assessments on each Responsible Person within the scope of the Policy shall be conducted by the Company prior to initial appointments and at regular intervals or whenever the Company becomes aware of information that may materially compromise the Responsible Person's fitness and propriety.

The process for assessing the fitness and propriety of the Responsible Persons entails the following steps:

Assessment Process

Appointment of New Director	Existing Director
Identification of skills applicable/required for new candidates.	Re-election and/or evaluation of existing directors, as the case may be.
Selection of candidates.	
"Fit and Proper" assessment by the NRC based on the criteria in paragraph 5.1 above.	
The NRC's evaluation, deliberation, and confirmation that the Responsible Person is fit and proper for the Board and the Group's purposes.	
Interaction with the new candidate(s), if required.	Interaction between existing directors, if required.

Recommendation by the NRC for the Board's approval.	
Decision by the Board on the recommended re-appointment of the new director.	Decision by the Board on the recommended re-election/evaluation of the existing director, as the case may be.

All Responsible Persons will be provided with a copy of this Policy prior to their appointment and at the commencement of any further assessment.

6.2. Fit and Proper Criteria and Prudent Judgment

The Company will make its decision based on the provision of information as outlined within this Policy. The Company will also make reasonable inquiries to obtain relevant information that can be taken into account in making a fit and proper assessment, in addition to the self-assessment forms completed by the Responsible Persons and potential Responsible Persons. The information can include a person's formal qualifications and attainments, curriculum vitae, referee reports obtained as part of a recruitment process, and any other publicly available information that is relevant to the fit and proper criteria.

6.3. Failure to be Fit and Proper

Where a person is found to be not fit and proper due to lack of character, diligence, honesty, integrity, or judgment, or is found to be misleading or deceptive, the Board has the power to take appropriate action.

6.4. Disclosure of Information Relevant to a Fit and Proper Assessment

All Responsible Persons are required to disclose to the Company all information that may be relevant to a fit and proper assessment as set out in Appendix A. The Company will take all reasonable steps to ensure compliance with the Personal Data Protection Act 2010 in collecting and using the information about Responsible Persons gathered as part of the assessment process. The information gathered from the assessments shall be strictly for the NRC's use for the purpose of the assessment and not for public disclosure.

Conflicts of interest are required to be disclosed by all Responsible Persons upon appointment and on an ongoing basis, or for directors, being provided with the opportunity to declare any interests at each Board meeting. All information provided by the Responsible Person is required to be true, accurate, and complete for submission to the NRC/Company.

7. DOCUMENT RETENTION AND REPORTING

The Company will maintain on file information related to the fit and proper assessment of all current and recently past Responsible Persons.

8. DISCLOSURE OF POLICY

This Policy will be published on the Company's website for public information.

9. PERIODIC REVIEW

This Policy shall be reviewed periodically or as and when necessary. The NRC will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

This Policy was reviewed and approved by the Board on 30 June 2022.