



## **IBRACO BERHAD**

Registration No. 197101000730 (011286-P)

### **Directors' Fit and Proper Policy**

#### **1. Introduction**

The objective of the Directors' Fit and Proper Policy ("**Policy**") is to set out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered for the appointment, re-appointment and/or re-election of the Directors of the Group.

#### **2. Fit and proper criteria**

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

##### **2.1 Character and integrity**

###### **a) 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.

###### **b) 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/her 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.
- Has not abused other positions held in a manner that contravenes the principles of good governance.

###### **c) Financial integrity**

- Manages personal debts or financial affairs satisfactorily.
- Demonstrates ability to fulfil personal financial obligations as and when they fall due.

**d) Good 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.

**2.2 Experience and competence**

**a) 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 business operations of the Group.
- 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.

**b) 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.

**c) 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.

**2.3 Time and commitment**

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

- Able to devote sufficient time as a Board member, having factored other external obligations including concurrent board

positions held by the Director across listed companies and/or non-listed companies (including not-for-profit organisations).

**b) 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 judgment after hearing the views of others.

**3. Assessment**

- a) The fit and proper assessment, based on the criteria set out in Clause 2 above, for appointment as Director or for re-election as Director shall be conducted prior to recommending to the Board for consideration and approval.
- b) The assessment should take into consideration the current composition of Board and Board committees (where applicable), mix of skills and experiences of Directors whilst taking into account the current and future needs of the Group, boardroom diversity (including gender diversity) and other soft attributes required as Directors.
- c) The information gathered from the assessments shall be strictly for internal use and not for public disclosure.

**4. Review of this Policy**

The Nomination and Remuneration Committee will review this Policy periodically to ensure that it continues to remain relevant. The changes to the terms of this policy shall be subject to the approval of the Board.

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