



## **Tune Protect Group Berhad**

(Registration No.: 201101020320 (948454-K))

**Group Fit & Proper Policy**

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## **1.0 Purpose**

The members of the board and senior management of Tune Protect Group provide strategic leadership that influences the financial position and future direction of Tune Protect Group of companies. As such, persons in these positions must have the necessary qualities, competencies and experience that will allow them to perform the duties and carry out the responsibilities required in the most effective manner.

The purpose of this Policy is to set out Tune Protect's approach to the assessment of the fitness and propriety of the persons who hold or who are about to be appointed or elected to, a Key Responsible Person (KRP) position. In setting out the approach, it is Tune Protect's intention to:

- i. Ensure that the members of the board and senior management possess the necessary qualities, competencies and experience to perform their duties and responsibilities in the most effective manner; and
- ii. Ensure that the Board is assisted by a qualified and competent Company Secretary.

This Policy is administered and managed in a secured method and transparent manner as required and outlined by Bank Negara Malaysia ("BNM") Fit and Proper Criteria Policy ("BNM F&P Policy") issued on 28 June 2013, BNM Guidelines on Corporate Governance and the Labuan Financial Services Authority (LFSA) Guidelines on Fit and Proper Person Requirements.

## **2.0 Scope**

This Policy shall apply to Tune Protect Group Berhad and its subsidiaries ("TPG" or "the Company"). The Fit and Proper criteria will be applied to all Key Responsible Persons (KRPs) and Company Secretary for the in-scope companies within TPG.

## **3.0 Definition/Abbreviation**

### **3.1 Definition of Key Responsible Persons (KRP)**

In accordance with the BNM Fit and Proper Criteria (F&P) Policy, KRPs for TPG refer to persons who are accountable or responsible for the management and oversight of the Tune Protect group of companies.

The identified KRPs for TPG are:

- i. The Board of Directors
- ii. Group Chief Executive Officer ("GCEO") of TPG
- iii. Senior Officers of the Group

For purpose of this Policy, Senior Officers in Tune Protect include:

- i. Chief Executive Officers ("CEOs") of TPG's subsidiaries licensed by BNM
- ii. Person-in-control or Principal Officer ("PO") as defined by the Labuan Financial Services Authority (LFSA)
- iii. All Chief Officers heading a function(s) (i.e. Chief Financial Officer, Chief Technical Officer, Chief Technology Officer etc.) and reporting to the GCEO or CEO/PO of a licensed subsidiary
- iv. All appointed and signing actuaries

- v. Any other Tune Protect employees identified by Nomination Committee, Group CEO or Chief - People & Culture from time-to-time

The selection of Senior Officers will follow the guidelines set via the BNM F&P Policy, that is individuals who:

- i. perform a senior management function whose primary or significant responsibility is for the management and performance of significant business activities of the Tune Protect and:
  - a) has the authority, makes or has substantial influence in making decisions that affect the whole, or a substantial part of the respective businesses of Tune Protect;
  - b) is principally accountable or responsible, whether solely or jointly with other persons, for implementing and enforcing policies and strategies approved by the respective Boards in Tune Protect; and
  - c) is principally accountable or responsible, whether solely or jointly with other persons, for developing and implementing systems, internal controls and processes that identify, measure, monitor or control of the Tune Protect's risks;
- ii. assume primary or significant responsibility for key control functions. This includes a person who is principally accountable or responsible, whether solely or jointly with other persons, for monitoring the appropriateness, adequacy and effectiveness of Tune Protect's internal controls, risk management and compliance systems and processes.

The list of KRPs will be reviewed by the Nomination Committee (NC) annually to ensure all key positions have been captured. Any new inclusion of roles as a KRP arising during the year thereafter, will be informed to the NC or Board.

### 3.2 Abbreviation

Abbreviation	Meaning
BNM	Bank Negara Malaysia
CEO	Chief Executive Officer
F&P	Fit & Proper
FI	Financial Industry
GCEO	Group Chief Executive Officer
KRP	Key Responsible Person
NC	Nomination Committee
P&C	People & Culture
TPG	Tune Protect Group Berhad

#### 4.0 Responsibilities

Party	Responsibilities
4.1 Nomination Committee (NC) and Board of Directors (Board)	<ul style="list-style-type: none"> <li>i. Ensure appropriate mechanism is in place to monitor and ensure ongoing compliance with the policy as well as disclosure and reporting obligations relating to the fit and proper requirements</li> <li>ii. Conduct assessments on the fitness and propriety of the directors, Group CEO, CEOs and Company Secretary, and making decisions on their appointments</li> <li>iii. Has the discretion to delegate the responsibility of assessing Senior Officers (except CEO of FI subsidiaries) to the Group CEO/CEO or a designated committee to assess whether these Senior Officers are fit and proper and decide on their appointment. In this event, the Board and the NC will remain accountable for such assessments and decisions.</li> </ul>
4.2 Group CEO/CEO	<ul style="list-style-type: none"> <li>i. Ensure that the fit and proper policy is developed and implemented as a priority within the institution; endorse the policy and promote a culture of compliance and integrity, emphasizing the importance of having key individuals who meet the fit and proper criteria.</li> <li>ii. Oversees the effective implementation of the policy, ensuring that the assessment processes are in place and that all key appointments are made in accordance with the established criteria.</li> <li>iii. Ultimately accountable for ensuring that the institution complies with regulatory requirements, including fit and proper guidelines set by Bank Negara Malaysia.</li> </ul>
4.3 People & Culture (P&C) and Company Secretary	<ul style="list-style-type: none"> <li>i. Acts as a subject matter expert and provides guidance in relation to the Policy</li> <li>ii. Company Secretary will implement this Policy for directors</li> <li>iii. P&amp;C will implement this Policy for all other KRPs and Company Secretary</li> </ul>
4.4 KRPs and Company Secretary	<ul style="list-style-type: none"> <li>i. Understand the fit and proper requirements of this Policy and the obligation to continue to meet the fit and proper criteria set by BNM on an on-going basis</li> <li>ii. Participate in the assessment exercise whenever required</li> <li>iii. Escalate any breach of Policy to the Chief – People &amp; Culture</li> </ul>

## 5.0 Fit and Proper Criteria

In determining whether an individual is fit and proper to hold a key position, the Company shall evaluate the individual against the following criteria.

### Probity, Personal Integrity, and Reputation

The individual must possess high ethical standards, honesty, and integrity, and must not pose a reputational risk to the Company.

Requirements:

- i. No history of dishonesty, fraud, or illegal activities
- ii. The individual must not be the subject of any ongoing criminal investigation or prosecution
- iii. No adverse findings, disciplinary actions, or penalties by regulators, professional bodies, or law enforcement agencies
- iv. No involvement in activities that would lead to adverse reputational consequences for the Company
- v. Must not be involved in any business or relationship that present a conflict of interest or interfere with their ability to act in the best interests of the organization
- vi. Must not have been dismissed or resigned from positions due to integrity issues and must not have held positions in companies that faced insolvency, liquidation, or had licenses revoked during their tenure.

### Competency and Capability

The individual must have the necessary skills, knowledge, experience, and ability to perform their duties effectively and to understand the nature of the Company's business, risks, and regulatory environment.

Requirements:

- i. Relevant educational qualifications, professional certification, and sufficient work experience.
- ii. Demonstrated ability to assess and manage the Company's risk profile.
- iii. Commitment to ongoing professional development to address skills and knowledge gaps.

### Financial Integrity

The individual must have demonstrated sound financial management in both personal and professional capacities

Requirements:

- i. No history of bankruptcy, insolvency, or significant financial distress
- ii. No involvement in financial irregularities, defaults, or financial misconduct
- iii. Ability to manage personal and professional financial affairs in a responsible and ethical manner

The detailed criteria are listed in **Appendix 1** to this Policy.

## **6.0 Frequency of Assessment**

Assessments will be conducted at the following frequencies:

- i. Pre-Employment or Pre-Appointment: all KRPs and Company Secretary must undergo an initial assessment against the fit and proper criteria before being hired or appointed
- ii. Annual Assessment: an annual self-declaration is required to ensure ongoing compliance with the fit and proper standards during their employment or appointment
- iii. Triggered Assessments: additional assessments are conducted if the Board, Nomination Committee or Management becomes aware of information that could compromise the individual's fitness and propriety

## **7.0 Who Assesses**

The NC and the Board are responsible for conducting assessments on the fitness and propriety of directors, the Group CEO, CEO/PO and the Company Secretary.

The NC and the Board delegate authority to the GCEO to conduct the fit and proper assessments for Senior Officers.

## **8.0 How to Assess**

Assessments will be administered by the following:

Board of Directors	:	Company Secretary
All other KRPs	:	People & Culture

The assessment information gathering shall be made using the following methods at the appropriate time:

- i. Self-declaration on fit and proper criteria; and/or
- ii. Self-declaration on any conflict of interest; and/or
- iii. Verification against independent sources (i.e. external parties), on areas including but not limited to financial standing, criminal checks, regulatory checks as relevant; and/or
- iv. Performance reviews
- v. Any other methods as may be relevant

Upon completion of the assessment, a summary report will be provided to the NC and/or Board for notation or further deliberation, if required.

## **9.0 Adverse Findings Resulting from Assessment**

If a KRP has been previously assessed as fit and proper, but the Company subsequently becomes aware of information that may indicate the individual is no longer fit and proper, actions must be taken immediately.

Any significant adverse developments concerning the KRP must be brought to the attention of the Nomination Committee (NC) within seven working (7) days from the date of detection. The Board should also be notified of these adverse findings thereafter.

Where the NC assesses, and the Board agrees, that the KRP is no longer fit and proper, the Board may take the following actions:

Where a contract of employment or appointment applies, the Company will deal with the individual in accordance with the terms of that contract. This may include, in appropriate circumstances, the termination of employment or appointment.:

- i. The Board may implement necessary risk mitigation measures should the KRP continue in the role temporarily while further action is being taken;
- ii. The Board may demote or re-assign the individual from the Key Responsible Person position if it is determined that the individual is no longer meets the fit and proper standards for the role.

The KRP will not be entitled to claim any compensation for termination of employment or appointment arising from their failure to meet the fit and proper criteria.

#### **10.0 Notification to BNM**

If the Board determines that the Company Secretary no longer meets the F&P requirements and removes the individual from the position, the Company must notify BNM in writing or via the BNM portal [kijang.net](http://kijang.net) within 7 days of the removal.

If a key person, such as a director, CEO, or senior officer, leaves their position—whether they resign, are removed, or otherwise cease to hold the role, the Company must notify BNM in writing or via the BNM portal [kijang.net](http://kijang.net) within 7 days of the individual's departure, including reasons for the departure.

#### **11.0 Reporting**

The NC and the Board must be kept regularly informed of the fit and proper assessments for each KRP.

The NC and Board will be updated at the point of hiring new KRPs as the assessment forms part of the hiring process. For the annual process, the summary of the assessments for the Board of Directors and KRPs will be shared with the Board.

If any individual within the Company becomes aware of information that may be relevant to the fit and proper assessment of a Key Responsible Person, they must immediately escalate the matter to the People & Culture department.

Such information must be handled promptly and in accordance with the fit and proper policy to ensure appropriate action is taken.



## **12.0 Confidentiality**

TPG is committed to safeguarding the confidentiality of all information collected and assessments made during the fit and proper assessment process. Access to this information will be restricted to authorized personnel only and will be handled in a manner that ensures its confidentiality and security.

Any personal information (including sensitive information) collected for the purpose of conducting a fit and proper assessment will only be disclosed to competent authorities or on a need-to-know basis, as required under this Policy and in compliance with relevant legal and regulatory obligations.

In the process of conducting a fit and proper assessment, personal information (including sensitive information) about an applicant or personnel may be collected by the Company.

Such information will be used solely for the following purposes:

- i. To assess a person's fitness and propriety for the relevant role
- ii. To comply with legislative and regulatory requirements.
- iii. To perform administrative functions, including but not limited to, risk management and internal governance procedures.

## **13.0 Data Retention**

Documentation related to the fit and proper assessments for each KRP must be retained for a minimum of seven (7) years after the completion of the assessment or relevant transaction.

Where an applicant has been unsuccessful, the assessment data, as part of the recruitment process, must not be retained beyond the recruitment process. Such documentation should be disposed of or archived immediately after the decision is finalized.

- i. The Company Secretary and P&C shall be responsible for ensuring that all personal data is destroyed or permanently deleted once it is no longer required for the purpose for which it was initially processed
- ii. All reasonable steps must be taken to ensure the secure and complete destruction or permanent deletion of personal data in accordance with data protection laws and regulations.

## **14.0 Associated Documents**

- i. BNM/RH/GL 018-5 Fit and Proper Criteria
- ii. BNM/RH/PD 029-9 Corporate Governance
- iii. Financial Services Act 2013 (Sections 61 & 62)
- iv. Labuan Financial Services Authority Guidelines on Fit and Proper Person Requirements (Feb 2014)
- v. Code of Conduct
- vi. TPG-PAC-101 Group Recruitment and Selection Policy

# **APPENDIX 1 – DETAILED CRITERIA FOR FIT & PROPER ASSESSMENT**

Criteria	Probity, Personal Integrity and Reputation
1	Whether the person is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings
2	Whether the person has contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice
3	Whether the person has contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies
4	Whether the person, or any business in which he has a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately.
5	Whether the person has been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct
6	Whether the person has been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about his honesty and integrity
7	Whether the person has been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorization, membership or a license to conduct any trade, business or profession, or has had that registration, authorization, membership or license revoked, withdrawn or terminated
8	Whether the person has held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while the person was connected with that business
9	Whether the person has 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
10	Whether the person has been a director of, or directly concerned in the management of any FI, the license of which has been revoked
11	Whether, in the past, the person has acted unfairly or dishonestly in dealing with his customers, employer, auditors and regulatory authorities
12	Whether the person has at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations.

Criteria	Probity, Personal Integrity and Reputation
13	Whether a person has contributed significantly to the failure of an organization or a business unit
14	Whether the person has at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices
15	Whether the person is involved in any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgment when acting in the capacity of a key responsible person which would be disadvantageous to the FI or the FI's interest

Criteria	Competency and Capability
16	Whether the person has appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position and in the case of directors, having regard to their commitments.
17	Whether the person has satisfactory past performance or expertise in the nature of the business being conducted.

Criteria	Financial Integrity
18	Whether the person has been and will be able to fulfil his financial obligations, whether in Malaysia or elsewhere, as and when they fall due
19	Whether the person has been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.

In addition to the above, the following areas will also be assessed, where relevant:

20. Conflict of interest - the individual must avoid situations where their personal or financial interests conflict with their obligations to the Company
21. Leadership experience – the individual must have skills, knowledge, and abilities that will enable him or her to take responsibility for guiding a group towards achieving goals, making strategic decisions, and fostering a positive and productive work environment