



UNIQUE FIRE HOLDINGS BERHAD
Registration No. 202101013602 (1413901-D)

Directors' Fit and Proper Policy

Effective Date : 29 July 2022
Rev : 00

1. Introduction

The Board of Directors ("**Board**") of Unique Fire Holdings Berhad ("**Company**") believes that it is in the best interest of the Company and its stakeholders that its Directors possess the required character, experience, integrity, competence and time to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Company and its subsidiaries ("**Group**"). The scope of this Directors' Fit and Proper Policy ("**Policy**") applies to existing Directors of the Company seeking for re-appointment and candidates for nomination or appointment as a Director.

This Policy serves as a guide to the Nomination Committee ("**NC**") and the Board in their review and assessment of candidates that are to be appointed to the Board as well as Directors who are seeking for election or re-election.

In formulating this Policy, the Company is obliged to comply with the requirements contained in the ACE Market Listing Requirements ("**ACE LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and other applicable rules and regulations at the prevailing country to ensure compliance with the obligations imposed.

Regulatory requirements:

- Rule 2.20A of the ACE LR

Qualification of directors and other key officers

Every listed corporation must ensure that each of its directors, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, chief executive or chief financial officer, as the case may be, of the listed corporation.

- Rule 15.01A of the ACE LR (effective 1 July 2022)

Fit and proper policy

A listed issuer must –

- (a) have a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries;
 - (b) ensure the policy addresses board quality and integrity and will aid the listed issuer to comply with Rule 2.20A of the ACE LR; and
 - (c) make available the policy on its website.
- Rule 15.08A(3) of the ACE LR

The listed issuer must provide, in its annual report, a statement about the activities of the nominating committee in the discharge of its duties for the financial year. Such statement must include the application of the listed issuer's fit and proper policy in the nomination and election of its directors, how the requirements set out in Rule 2.20A of the ACE LR are met and contain the following information –

1. Introduction – cont'd

- (a) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the listed corporation;
- (b) the board nomination and election process of directors and criteria used by the nominating committee in the selection process; and
- (a) the assessment undertaken by the nominating committee in respect of its board, committees and individual directors together with the criteria used for such assessment.

2. Scope

This Policy applies to the Board of the Company and its subsidiaries.

3. Duties and Responsibilities**i. The Board**

In this regard, the Board is ultimately responsible for ensuring that all existing Directors of the Company seeking for re-appointment and candidates for nomination or appointment as a Director of the Company fulfil the fit and proper requirements. The Board is also responsible for conducting assessments of the fitness and propriety of Directors of the Company.

The Board shall provide a statement, included with the results of its review and assessment, as to whether it supports the appointment of a candidate as Director of the Company or the re-appointment of an existing Director of the Company and the reasons thereof.

ii. The NC

The NC is responsible for leading the review of the appropriate skills (including but not limited to professional skills, where applicable), experience and characteristics required of Board members through set procedures, in the context of the needs of the Group.

In assessing the fitness and propriety of the existing Directors of the Company seeking for re-appointment and candidates for nomination or appointment as a Director, the NC shall evaluate the existing Directors and candidates for new appointment as Directors based on the fit and proper criteria as tabulated in the Fit and Proper Criteria and making recommendations to the Board on these matters for its review and decision.

4. Fit and Proper Criteria

This section outlines the baseline criteria for the fit and proper assessment. The Board together with the NC shall assess individual Directors with due regard to the consideration listed in this section.

The assessment of fit and proper criteria for the Directors during the appointment stage shall be performed via diligence or screening as well as declarations from the concerned individuals.

Meanwhile, for the re-election, the assessment shall be performed based on a review of the Board Evaluation Form.

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

4. Fit and Proper Criteria – cont'd**(A) Character and integrity**

In assessing the personal qualities such as honesty, integrity, diligence, independence of mind and fairness of Directors, the Company should consider the following:

(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.

(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 (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 the ability to fulfil personal financial obligations as and when they fall due.

(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 ten (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.
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(B) Experience and competence**(i) Qualification, 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 workings of a corporation.
 - possesses general management skills as well as an understanding of corporate governance and sustainability issues.
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4. Fit and Proper Criteria – cont'd**(B) Experience and competence – cont'd**

- 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 a commendable past performance record as gathered from the results of the board effectiveness evaluation.

(C) 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 judgment after hearing the views of others.

5. Assessment of fitness and propriety of Directors

The Company shall conduct the fit and proper assessments on each Director within the scope of this Policy prior to initial appointments as well as at regular intervals of at least the annual board effectiveness evaluation or whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.

In assessing a Directors' fitness and propriety, the Company shall take into account the criteria outlined in this Policy. The criteria shall be assessed both individually and collectively, taking into account their relative importance. Failure to meet one criterion on its own does not necessarily mean failure to meet the fit and proper criteria. The specific circumstances surrounding a Director's failure

to meet specific criteria, such as the lapse of time since the occurrence of events, other contributing factors and the significance of the event from the perspective of potential risks posed to the Company, will be considered by the Company.

The Company should exercise the assessment objectively in the best interests of the Company and the sound conduct of the Company's business. In conducting the assessment, the Company should consider whether there have been material changes in the nature or scope of the responsibilities assumed by a Director in which higher standards of competence or judgement are required in order to properly perform the duties associated with the said position.

6. Disclosure

Pursuant to the ACE LR on the disclosure of the application of the Directors' fit and proper policy in the nomination and election process of the directors in the statement of the nominating committee, the Board shall disclose such statement in the Annual Report. A copy of this Policy shall also be published on the website of the Company.

7. Review of the Policy

The NC shall review and assess the effectiveness of this Policy. Any requirement for amendment shall be deliberated upon by the NC and any recommendations for revisions shall be proposed to the Board for approval.

8. Revision to the Policy

This Policy shall be reviewed by the Board from time to time as necessary to ensure the Policy remains relevant and viable to meet the needs of the Company. Any revision to the Policy shall be recommended to the Board for consideration and approval.

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