

Director's Fit and Proper Policy

Table of Contents

Purpose.....	2
Scope	2
Definitions	2
Policy	2
1. Director's Fit and Proper Policy	2
2. The Fit and Proper Criteria	3
3. Review of the policy	5

Purpose

This Policy sets out the fit and proper criteria for appointment to the Board of Directors ("Board") of Scicom (MSC) Berhad ("the Company") and the Company's approach to diversity on the Board. This Policy serves as a guide to the Nomination & Remuneration Committee ("NRC") and the Board in their review and assessment of candidates to be appointed to the Board with the objectives of ensuring that membership of the Board fulfils the requisite fit and proper criteria and includes a diverse mixture of skills, professional and industry backgrounds, business experience and expertise, gender, ethnicity and age for effective functioning.

Scope

This Policy shall be applicable to Scicom (MSC) Berhad and its subsidiaries.

Definitions

Terms	Descriptions
NRC	Nomination & Remuneration Committee
Board	Board of Directors of Scicom (MSC) Berhad
CEO	Chief Executive Officer
CFO	Chief Financial Officer
LGL	Legal and Compliance
The Company	Scicom (MSC) Berhad
The Group	Scicom (MSC) Berhad and its subsidiaries

Policy

1. Director's Fit and Proper Policy

The Board

- (a) The Board of Directors of the Company ("the Board") has adopted a fit and proper policy for the appointment and re-election of Directors ("Policy") of the Company and its subsidiaries ("Group").
- (b) This Policy will enhance the governance of the Company in relation to the Board's quality and integrity, as well as ensure that each of its Directors has the character, experience, integrity, competence, time and commitment to effectively discharge his role as a Director.
- (c) The Board shall ensure that the fit and proper criteria on the appointment and re-election of Directors of the Group set out in Paragraph 2 are applied on a continuing basis.
- (d) The Board and the Nominating and Remuneration Committee shall conduct the fit and proper assessment prior to the appointment of any candidate as a Director, or making recommendation for the re-election of an existing Director.

- (e) In assessing the composition of the Board, the Board and the NRC shall consider whether the collective skills, experience and expertise of the Board are sufficient to enable effective oversight of the Group's strategy, governance, risk management, internal controls and sustainability matters.

2. The Fit and Proper Criteria

The assessment procedures shall be in a form of due diligence taking into account the following fit and proper criteria conducted by the Nominating and Remuneration Committee and declarations by each individual candidate or Director that:

A. Character and Integrity

i) Probity

- he/she is compliant with legal obligations, regulatory requirements and professional standards; and
- he/she has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

ii) Personal integrity

- he/she 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;
- his/her service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity;
- he/she 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; and
- he/she demonstrates conduct consistent with promoting a sound governance and risk-aware culture within the Group.

iii) Financial integrity

- he/she manages personal debts or financial affairs satisfactorily; and
- he/she demonstrates ability to fulfil personal financial obligations as and when they fall due.

iv) Reputation

- he/she is of good repute in the financial and business community;
- he/she has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years; and
- he/she 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.

v) Independence and Conflict Management

- he/she demonstrates the ability to exercise independent judgment and act in the best interests of the Group;
- he/she is free from any business or other relationship which could materially impair the exercise of objective and independent judgment in carrying out the duties of a Director;
- he/she appropriately identifies, declares and manages actual, potential or perceived conflicts of interest in accordance with applicable laws, listing requirements and Company policies; and
- he/she shall promptly disclose any actual, potential or perceived conflict of interest as and when it arises, and shall ensure that such disclosure is updated promptly if there are any changes to the circumstances giving rise to the conflict.

B. Experience and Competence

i) Qualification, training and skills

- he/she 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);
- he/she has a considerable understanding on the workings of a corporation;
- he/she possesses general management skills as well as understanding of corporate governance,
- he/she keeps knowledge current through continuous professional development;
- he/she possesses leadership capabilities and a high level of emotional intelligence;
- he/she possesses the relevant skills, knowledge and understanding necessary to support the Group's business, operations and strategic direction, taking into account emerging risks and industry developments; and
- he/she demonstrates commitment to continuous learning and development to effectively discharge his/her duties as a Director.

ii) Relevant experience and expertise

- he/she 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 experience or track record

- he/she had a career of a senior management or high level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations; and

- he/she possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation or based on the financial and non-financial performance of the corporation where the person identified for appointment as a director was involved.

C. Time and Commitment

i) Ability to discharge role having regard to other commitments

- he/she is able to devote time as a Board member, having factored other outside obligations including existing board positions held by the Director in other listed issuers (taking into consideration his board attendance records) and non-listed entities (including not-for-profit organisations).

ii) Participation and contribution in the Board or track record (applicable for re-election of existing directors only)

- he/she demonstrates willingness to participate actively in Board activities;
- he/she demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- he/she exhibits ability to articulate views independently, objectively and constructively;
- he/she exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others; and
- he/she demonstrates the ability to exercise independent judgment and contribute effectively to the Board's oversight responsibilities.

A person who has been identified for appointment as a Director or for re-election as a Director within the Group shall be required to make the fit and proper declaration, using such form that the Nomination Committee may recommend from time to time.

3. Review of the policy

This policy shall be reviewed on an annual basis, as prescribed in SCKL/BOD/PL/029 – Board Policy Management Framework, to ensure its continued relevance and appropriateness.