



MATRIX CONCEPTS HOLDINGS BERHAD

199601042262 (414615-U)

DIRECTORS' FIT AND PROPER POLICY

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1. INTRODUCTION

1.1 Matrix Concepts Holdings Berhad (“MCHB” or the “Company”) has adopted the Directors’ Fit and Proper Policy (“FPP” or “Policy”) to ensure a formal, rigorous and transparent process for the appointment and re-election of directors and senior management of the Company and its subsidiaries.

1.2 In formulating this FPP, the Company is obliged to comply with the requirements as contained in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and others regulations to ensure compliance with the obligations imposed.

2. OBJECTIVE

2.1 The FPP aims to guide the Company’s Nomination Committee (“NC”) and Board of Directors (the “Board”) and its subsidiaries in their review and assessment of candidates who are to be appointed on to the board as well as directors who are seeking for re-election in compliance with the new Rule 15.01A of MMLR.

2.2 The criteria as set out below are intended to guide the NC and the Board in their review and assessment of such candidates in making such selection. The general criteria that form the over-arching criteria in relation to the Policy are:

- a) Character and integrity;
- b) Experience and competence; and
- c) Time and commitment.

3. SCOPE AND APPLICATION

3.1 The FPP applies to the appointment and re-election of directors of the Company and its subsidiaries. The Board is to approve such proposal for re-election of directors and where relevant, make a recommendation to the shareholders of the Company for approval at the annual general meeting.

3.2 The appointment of board members and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Directors appointed should be able to devote the required time to serve the board effectively. In the course of reviewing the suitability of the candidates for appointment or re-election, the board and/or the NC should consider the existing board positions held by the candidates, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

4. **FIT AND PROPER CRITERIA**

4.1 In accessing if a candidate meets the criteria under this Policy, the Board and NC should consider factors which include but are not limited to the following:

a) **Character and integrity**

(i) Probity

- Has been compliant with legal obligations, regulatory requirements and professional standards.
- Has not been obstructive, misleading or untruthful in dealing with regulatory bodies or a court/arbitration tribunal.

(ii) Personal integrity

- Has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise 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.
- Has not abused other positions (i.e. political appointment or directorship) for personal gain or for the gain of others or to facilitate government relations for the Company in a manner that contravenes the principles of good governance.

(iii) Financial integrity

- Has managed personal debts or financial affairs satisfactorily.
- Has demonstrated 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 and 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 by mismanagement or poor governance by management.

b) **Experience and competence**

(i) 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 (i.e. a match to the board skill set matrix).
- Has considerable understanding on the workings of the corporation.
- 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 high level of emotional intelligence (in relation to working with both the Board and the Board Committees as well as management). Financial literacy and ability to understand/digest financial statements as presented by management and critically evaluate the financial statements.

(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

- Has a career of occupying a high-level position in a comparable organization, and was accountable for driving or leading the organization's governance, business performance or operations.
- Possesses commendable past performance record as gathered from the results of the Board's 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 organizations).

(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. RESPONSIBILITIES OF THE BOARD AND NC

5.1 The Board and NC shall be directly responsible for conducting assessments on the fitness and propriety of directors and making decisions on their appointments.

5.2 Based on the high-level and baseline considerations outlined in section 4 above, the Board and NC may discuss and determine prescriptions and specifications based on specific circumstances, needs and requirements of the Company prior to such appointment or proposed re-election of the candidate. These considerations should be assessed and reviewed from time to time by the Board and NC to ensure their relevance and alignment with the structure and needs of the organization.

6. ASSESSMENT OF FITNESS AND PROPRIETY OF DIRECTORS

6.1 The fit and proper assessment on each director shall be conducted by the NC based on the criteria set out in section 4 before recommending to the Board for approval. The Board Assessment Form used for this purpose is set out in Attachment A.

6.2 For the appointment of any new Director, the candidate is required to complete the Prospective Directors Information as set out in Annexure 2, that will then be analysed by the NC.

6.3 The factors shall be assessed individually, as well as collectively, taking into account their relative importance. Failure to meet one factor does not necessarily mean failure to meet the fit and proper criteria. The Board/NC will consider the specific circumstances surrounding a director's failure to meet specific factors, 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.

6.4 The Company should exercise the assessment objectively in the best interest 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 a higher standard of competence or judgement is required in order to properly perform the duties commensurate with the position held by that director.

7. NON DISCLOSURE OF SENSITIVE AND CONFIDENTIAL INFORMATION

Whilst the Company should disclose the customized considerations and expectations in this Policy, the Company will not disclose any personal and sensitive and confidential information.

8. RESOURCES

The Corporate Secretarial Department will provide guidance, education and procedure for implementing this Policy, including requirements for reporting, monitoring and undertaking the review.

9. REVIEW

The NC will review this FPP once in every three(3) years or upon changes to the relevant rules and regulations, whichever is earlier and make the appropriate recommendation to the Board on any proposed amendments to the FPP. Periodic review will also be made to ensure relevance and alignment with the structure and needs of the Company as well as material changes in the business and risk profile of directors.

-END-

APPROVED BY THE BOARD ON 28 JUNE 2022.



MATRIX CONCEPTS HOLDINGS BERHAD

Registration No. 199601042262 (414615-U)
(Incorporated in Malaysia)

DIRECTORS' EVALUATION FORM

This Evaluation Form is to be completed by the individual director based on the following ratings:-

4	3	2	1
<i>Above average</i>	<i>Average</i>	<i>Below Average</i>	<i>Poor</i>
<i>Yes, Always</i>	<i>Yes, most of the time</i>	<i>Yes, but seldom</i>	<i>No</i>

OR

Yes	No
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Name of Director:

		Rating (Please tick(√) accordingly but if not applicable, please state as "Not Applicable")					
		Yes	No	1	2	3	4
Section A : Fit and Proper							
1	Has shown his/her honesty, integrity, professional conduct or business ethics/practices. There are no deceitful, oppressive or improper and investigation on complaints lodged						
2	Has shown willingness to maintain effective internal control systems and risk management practices						
3	Possesses relevant qualifications, knowledge, experience and ability to understand the technical requirements, financial statements, risk and management of the company's business						
Section B : Contribution and Performance							
4	Probes management to ensure management has taken, and suggests management to take into consideration the varying opportunities and risks whilst developing the strategic plan (this plan may or may not be in writing as long as minutes of meeting provide a discussion of such strategy)						
5	Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements						

		Rating (Please tick(√) accordingly but if not applicable, please state as “Not Applicable”)					
		Yes	No	1	2	3	4
6	Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any						
7	Receives feedback from board and/or committee and incorporates feedback obtained into the decision-making process in an objective manner						
8	Defends own stand through constructive deliberations at board and/or committee meetings, where necessary						
9	Tackles conflicts and takes part in proposing solutions						
Section B : Contribution and Performance							
10	Offers practical and realistic advice to board and/or committee discussions						
11	Takes initiative to demand for additional information, where necessary						
12	Tests quality of information and assumptions						
13	Reviews and relates short-term concerns to long term strategy						
14	Contributes to risk management initiatives						
15	Contributes personal knowledge and experience into the consideration and development of strategy						
16	Facilitates objective-oriented decision-making process						
17	Prioritizes context of issues to be in line with objectives						
18	Effectively and proactively follows up on areas of concern						
19	Demonstrates willingness to devote time and effort to understand the company, its business and readiness to participate in events outside the boardroom, such as site visits						
20	Attended at least 50% of the meetings scheduled for the year						
Section C : Caliber and personality							
21	Acts in good faith and with integrity						
22	Attends meetings well prepared and adds value to board and/or committee meetings						
23	Works constructively with peers, the company secretary and senior management						
24	Offers insight to matters presented with requisite knowledge and skills, and shares information						

		Rating (Please tick(✓) accordingly but if not applicable, please state as "Not Applicable")					
		Yes	No	1	2	3	4
25	Encourages others to get things done, is decisive and action-oriented						
26	Articulates in a non-confrontational and comprehensible manner						
27	Understands individual roles and responsibilities and ensures contribution is contemporary with developments						
28	Behaviour engenders mutual trust and respect within the board and other key officers						
29	Communicates effectively with shareholders						
30	Constructively challenges and contributes to the development of strategy						
Section D : Completeness of Reviews							
31	Scrutinises the performance of management in meeting agreed goals and objectives, and monitors reporting of performance						
32	Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible						

Confirmed by:

Name:

Designation:

Date:



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Part A: Personal Details

1	Full Name	
2	Date of Birth	
3	NRIC No./Passport No.	
4	Citizenship	
5	Permanent Address	
6	Correspondence Address (if different from above)	
7	Telephone No.	
8	Email Address	

Part B: Education Background and Work Experience

No	Questions	Answers
1	Education Qualification (List all chronologically from the latest qualification)	

2	<p>Work Experience (List all chronologically from the latest experience to the last)</p> <p>(Please use separate paper if required)</p>	
No	Questions	Answers
3	<p>What do you consider to be your core area(s) of expertise?</p>	
4.	<p>From your research of the Company's business, what areas of expertise can you bring to the Board for the betterment of the Company?</p>	

Part C: Directorship

1	<p>List of Current and Past Directorship</p> <p>(Please use separate paper if required)</p>	
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Part D: Declaration

No	Questions	Yes	No
1	Do you have any family/business relationship with any Directors or any personnel?		
		If yes, please state details.	
2	Do you have any interest, both direct and indirect (including but not limited to shares / contracts / consultancy / advisory) in the Company or any of its subsidiary?		
		If yes, please state details.	
3	Do you have any relatives currently working in any competitor organization of the Company?		
		If yes, please state details.	

No	Questions	Yes	No
4	<p>Have you ever been committed of any criminal offences including but not limited to commercial crimes, capital market offences, financial crimes or any offence involving dishonesty.</p> <p>For this purpose the payment of a compound shall also be disclosed.</p>		
		If yes, please state details.	
5	<p>Are you currently and/or the company where you are the director been notified of any impending disciplinary or criminal proceedings or of any investigations, which might lead to such proceedings?</p>		
		If yes, please state details.	
6	<p>Have you or the company where you are a director contravene any provision made by or under any written law such as the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2016, Capital Markets and Services Act 2007 and any other applicable laws?</p>		
		If yes, please state details.	

No	Questions	Yes	No
7	<p>Have you or the company where you are a director been reprimanded (privately or publicly) by the regulators namely, Bursa Malaysia, Securities Commission Malaysia and Suruhanjaya Syarikat Malaysia?</p>		
		<p>If yes, please state details.</p>	
8	<p>Have you involved in any business or relationship which could materially pose a conflict of interest or interfere with your judgment when acting as a director which is disadvantageous to the company?</p>		
		<p>If yes, please state details.</p>	
9	<p>Are you currently a bankrupt?</p> <p>Are you a 'discharged bankrupt?</p> <p>Have you been a Director / in Senior Management of a company that had been in receivership or was (or was in the process of being) wound-up during the time of your said directorship / management, or was so within six (6) months of your departure from the services of said company.</p>		
		<p>If yes (to any of the questions), please state details.</p>	

No	Questions	Yes	No
10	Do you hold a post in any political party?		
		If yes, please state details.	

Part E: Others

No	Questions	Your Answer
1	What kind of time commitments do you now have for your current activities?	
2	What would your expectations be for the time necessary for the Company/Board?	

I,.....(NRIC/Passport No:.....) hereby declare that the above responses are true and correct, as to the best of my knowledge. I further authorize the Company to conduct background check, if necessary, which may consist of prior employment verification, professional reference checks, education confirmation and/or criminal record and credit checks for the purpose of my appointment as a Director of the Company.

.....
Signature

.....
Name :
Date :

