

GROMUTUAL

GROMUTUAL BERHAD 200301022614 (625034-X)

Directors' Fit and Proper Policy

1. The Board

- 1.1 The Board of Directors (“the Board”) of Gromutual Berhad has adopted a **fit and proper policy** for the appointment and re-election of Directors (“Policy”) of Gromutual Berhad and its subsidiaries (“Gromutual Group”).
- 1.2 This Policy will enhance the governance of Gromutual Berhad 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/her role as a Director.
- 1.3 The Board shall ensure that the fit and proper criteria on the appointment and re-election of Directors of Gromutual Group set out in Paragraph 2 are applied on a continuing basis.
- 1.4 The Board and the Nominating 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.

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 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;
- He/she has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law; and
- He/she is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a Director would be disadvantageous to Gromutual Group or its interests.

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/her 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; and
- 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.

iii) Financial integrity

- He/she manages personal debts or financial affairs satisfactorily and with good financial standing based on report from a credit rating agency; 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 (including a GN3 or PN17 company), where that failure has been occasioned in part by deficiencies in that management.

B. Experience and Competence

i) Qualification, training and skills

- He/she possesses appropriate education qualification, experience and expertise that are relevant to effectively fulfil the role and responsibilities of a Director;
- 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 and sustainability issues;
- He/she keeps knowledge and skill current; and
- He/she has the appropriate level of leadership, physical and mental fitness.

ii) 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 the organisation's governance, business performance or operations; and
- He/she has demonstrated either satisfactory expertise in the nature of the business being conducted or possessed satisfactory past performance.

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/her 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 manifests passion in the vocation of a Director;
- He/she exhibits ability to articulate views independently, objectively and constructively; and
- He/she exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

This **Policy** was adopted by the Board on 1 July 2022 and is made available on the Company's website, www.gromutual.com.my.