

FIT AND PROPER POLICY

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Abbreviations

AMLR	:	Ace Market Listing Requirements
MCCG	:	Malaysian Code on Corporate Governance
NRC	:	Nomination and Remuneration Committee
GFM or the Company	:	GFM Services Berhad

1.0 Introduction

GFM Services Bhd (“GFM” or the “Company”) has adopted the Directors’ Fit and Proper Policy to ensure a formal, rigorous and transparent process for the appointment and reelection of directors and senior management of the Company and its subsidiaries.

In formulating this policy, the Company is obliged to comply with the requirements contained in the Ace Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and other applicable rules and regulations at the prevailing country to ensure compliance with the obligations imposed.

2.0 Purpose

The key objective of this policy (“Fit and Proper Policy”) is to set out the criteria for selection of candidates that are proposed to be appointed as directors of GFM and its subsidiaries as well as directors who are seeking for re-election. The criteria are intended to guide the Nomination and Remuneration Committee (“NRC”) and the Board of Directors (“Board”) in their review and assessment of such candidates in making their selection.

To ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of GFM and its subsidiaries.

Serve as a guide to the Nomination & Remuneration Committee (“NRC”) and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.

The Board is to approve such proposal and where relevant, make a recommendation to the shareholders of the Company for approval at an annual general meeting.

3.0 Scope

The Fit and Proper Policy applies to the appointment and re-election of directors of the Company and its subsidiaries. It also acts as a guide for the selection of candidates as the Company’s nominee directors on the boards of GFM subsidiaries.

The Fit and Proper Policy takes effect from 25 May 2022 and will continue to be in force unless varied or revoked by the Board of Directors of the Company.

The Fit and Proper Policy is to be read in conjunction with the Board Charter.

4.0 Compliance Requirement

This Policy has been prepared to ensure compliance with the relevant provisions of the AMLR of Bursa Malaysia and the Malaysian Code on Corporate Governance 2021 (“MCCG”). Reference was also made to the guidance provided in Bursa Securities’ Corporate Governance Guide (4th Edition).

Paragraph 15.01A of the AMLR provides that a listed issuer must have a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries, ensure the policy addresses board quality and integrity and will aid the listed issuer to comply with paragraph 2.20A of the AMLR, and to make available the policy on its website.

Paragraph 2.20A of the AMLR provides that every listed corporation, management company or trustee-manager 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, or the collective investment scheme.

Pursuant to MCCG Practice 5.5, the appointment of board 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. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

5.0 Criteria

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

5.1 Character and Integrity

(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 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 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

5.2 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 a considerable understanding on the business and workings of a 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 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 commendable past performance record as gathered from the results of the board effectiveness evaluation.

5.3 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

6.0 Assessment

The NRC will assess each person for a new appointment or re-appointment of Directors based on the criteria set under item 5.0 before recommending to the Board for approval.

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.

The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party

7.0 Review of the Policy

This Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary in accordance with the needs of the Company, the AMLR and/or any other applicable laws enforced at the time being.