



SNS NETWORK TECHNOLOGY BERHAD
[201601002835 (1173761-W)]
(Incorporated in Malaysia)

FIT AND PROPER POLICY

UPDATED AS AT 5 JULY 2022

FIT AND PROPER POLICY

1.0 INTRODUCTION

- 1.1 SNS Network Technology Berhad (“**SNS**” or “**the Company**”) is committed in meeting its obligation in complying with Para 15.01A of the ACE Market Listing Requirements (“**AMLR**”) that a listed issuer must have a fit and proper policy for the appointment and re-election of directors of the listed issuers and its subsidiaries; ensure the policy addresses board quality and integrity and will aid the listed issuer to comply with Para 2.02A of the AMLR and make the policy available on the listed issuer’s website. In accordance with Para 15.08A(3) of the AMLR, the Company must include the application of its fit and proper policy in the nomination and election of its directors in the statement of activities of the nominating committee in its annual report.
- 1.2 The purpose of this Fit and Proper Policy is to set out the Company’s approach to the assessment of fitness and propriety on any person who hold or is identified to be appointed as a “**Key Responsible Person**” position in the Company and/or its subsidiaries.
- 1.3 “**Key Responsible Persons**” are individual including any person identified to be appointed as a Director or to continue holding the position as a Director within the Company and/or its subsidiaries, other key officers and senior management of the Company to ensure the respective individual have the character, experience, integrity, competence and time to effectively discharge his/her role and responsibilities.
- 1.4 This policy is designed to be a risk treatment plan for the risks posed to the Company from having persons who are not fit and proper acting in a responsible person position.

2.0 DEFINITION

- (a) Directors includes existing Independent Non-Executive Directors and Executive Directors of the Company and/or its subsidiaries and any person identified to be appointed as a Director in the Company and/or its subsidiaries;
- (b) Key Officers or Key Senior Management includes Chief Executive Officers (“CEO”), Executive Deputy Chairman, Chief Financial Officer and any person performing a senior management function who has primary or significant responsibility for the financial management and performance of significant

business activities; and any person who has primary or significant responsibility for key control functions;

- (c) Key Senior Management includes persons (other than a director) who:
- makes or participates in decision making that affect the whole or substantial part of the Company's business operations,
 - have the capacity to affect significantly the Company's business operations or its financial standing,
 - may materially affect the whole, or a substantial part of the Company's business operations or its financial standing through their responsibility for:
 - (i) enforcing policies and implementing strategies approved by the Board
 - (ii) the development and implementation of systems used to identify, assess, manage or monitor risks in relation to the Company's business operations, or
 - (iii) monitoring the appropriateness, adequacy and effectiveness of risk management frameworks; or are otherwise an executive officer of the Company.

3.0 RESPONSIBILITY

3.1 The Board's Commitment and Responsibility

In the application of this policy, the Board and Nomination Committee are primarily responsible for ensuring that all Key Responsible Persons fulfil the fit and proper requirements and to conduct assessment for fitness and propriety of directors, CEO, CFO, Executive Deputy Chairman as well as MD of subsidiary companies.

The Board is committed in ensuring that each person who holds key officers' position or senior management has the appropriate skills, knowledge and experience commensurate with the role that they hold and will make all final determinations on the fitness and propriety of Key Responsible Persons.

3.2 The Nomination Committee's ("NC") Responsibility

The NC is responsible for the fit and proper assessment of existing directors or candidates for nomination or appointment as a director of the Company and make recommendations to the Board on these matters.

3.3 Key Responsible Persons (Covered Person)

All Key Responsible Persons appointed must possess the appropriate skills and experiences that commensurate with the roles and responsibilities held.

Persons covered under this assessment are responsible for:

- a) Signing the Fit and Proper Declaration (Appendix 1);
- b) Providing relevant information and documentation required for assessing fitness and propriety;
- c) Providing consent to SNS Group to obtain relevant information for the checks listed under Section 5.2 of this Policy;
- d) Immediately provide information to SNS Group about changes in circumstances that may influence the assessment of the individual's fitness and propriety for the role.

The Board has the authority to approve a Director or relevant officer to be fit and proper for the position they hold and for determining remedial action in situations where a Director or relevant officer is determined not to be fit and proper for a position. (The Director being assessed will not be considered part of the Board for these purposes).

4.0 AUTHORITY

4.1 Key Responsible Persons

The Company is required to have Key Responsible Persons who have the attributes that enable the Company to properly discharge its duties and responsibilities in a prudent manner under this policy. These include attributes that relate to character, integrity, experience, competence, diligence, honesty, judgement and relevant technical and/or financial qualifications, knowledge and skills.

4.2 Fit and Proper Criteria

For the purpose of establishing whether a person is fit and proper to hold the responsible person position, the Company shall have regard to the person's:

- (a) **Character and Integrity** – probity, personal integrity, financial integrity and reputation.
- (b) **Experience and Competence** – qualifications, training and skills, relevant experience and expertise, relevant past performance or track record.
- (c) **Time and Commitment** – ability to discharge role having regard to other commitments, participation and contribution in the board or track record.

Failure to fulfill one criterion does not necessarily mean failure to achieve the fit and proper criteria. The Company shall consider the specific conditions surrounding the individual's failure to fulfill specific criteria from the different perspective of potential risks posed to the Company.

The assessment to the above criteria shall have regard to the considerations set out below in Paragraph 4.2.1 to 4.2.3 of this policy.

4.2.1 Character and Integrity

In assessing the person's character and level of integrity to hold the position as director, key officers or senior management, the NC and the Board should consider the following:

Probity

- (a) Compliant with legal obligations, regulatory requirements and professional standards;
- (b) Has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

Personal Integrity

- (a) 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;
- (b) 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.

Financial Integrity

- (a) Manages personal debts or financial affairs satisfactorily;
- (b) Demonstrates ability to fulfill personal financial obligations as and when they fall due;
- (c) No conflict-of-interest position or potential conflict of interest position previously or current; and
- (d) Not subjected to a judgement of debt which is unsatisfied, either entirely or partially whether in Malaysia or elsewhere, or any past records of bankruptcy.

Reputation

- (a) Have good repute in the financial and business community;
- (b) Has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;

4.2.2 Experience and Competence

Experience and competence are demonstrated by a person who possesses the relevant education, knowledge, experience and/or competence to understand the technical requirements of the business and the management process required to perform his/her role as a responsible person in the relevant capacity effectively.

In assessing the person's experience and competence, the NC and the Board should consider matters including, but not limited to the following:

Qualifications, training and skills

- (a) Possesses education qualification that is relevant to the skill set that the director is earmarked to bring to bear onto the boardroom (i.e. match to the board skill set matrix);
- (b) Has a considerable understanding on the workings of a corporation;

- (c) Possesses general management skills as well as understanding of corporate governance and sustainability issues;
- (d) Keeps knowledge current based on continuous professional development;
- (e) Possesses leadership capabilities and a high level of emotional intelligence.

Relevant experience and expertise

- (a) 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.

Relevant past performance or track record

- (a) Had a career of occupying a high-level position in a comparable organization, and was accountable for driving or leading the organisation's governance, business performance or operations;
- (b) Possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

4.2.3 Time and Commitment

In assessing the person's time and commitment, the NC and the Board should consider matters including, but not limited to the following:

Ability to discharge role having regard to other commitments

- (a) Able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the director across the company and other listed or non-listed companies (including not-for-profit organization).

Participation and contribution in the board or track record

- (a) Demonstrates willingness to participate actively in board activities;

- (b) Demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- (c) Manifests passion in the vocation of a director;
- (d) Exhibits ability to articulate views independently, objectively and constructively;
- (e) Exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others.

5.0 ANNUAL RE-ASSESSMENT

A review is to be undertaken at least annually of positions within SNS Group to determine whether the nature of the duties and functions of a personnel have changed such that the personnel's position would be classified as Key Responsible Person as set out under this policy.

Where a position has changed and is subsequently deemed a Key Responsible Person position, an eligibility assessment is to be conducted on the person occupying the position within 30 days.

All Key Responsible Persons of SNS Group are required to undergo an annual, or as close to annual as possible, fit and proper re-assessment process.

5.1 Assessment Process

Fit and proper assessments will be conducted prior to appointment, re-election and whenever the Board or NC becomes aware of information that may materially comprise the Key Responsible Persons fitness and propriety.

The fit and proper assessment will be conducted by the following person:

Category of Responsible Person	Person conducts the fit & proper assessment
Directors	<u>Assessments prior to appointment:</u> The Board (initial assessment by NC and documents provided by NC)
	<u>Annual assessments for re-election:</u> The Board (initial assessment by NC)
Chairman/Executive Deputy Chairman/ Chief Executive Officer	<u>Assessment prior to appointment:</u> The Board
Senior Management	Managing Director

In assessing a person's fitness and propriety, the Board through its NC, shall consider all relevant factors based on the fit and proper criteria pursuant to Paragraph 4.2 above.

A person who has been identified for appointment as Key Responsible Persons of the Company and/or its subsidiaries shall be required to make fit and proper declaration in the form as set out in Appendix of this Policy or in such other forms as the NC may from time to time prescribe or approve.

5.2 Consideration for Assessment

All Assessment of fit and Proper should include the following:

- a) Execution of Fit and Proper Declaration by the covered person;
- b) Application of the Fit and Proper Criteria as set out under Section 4.2 of this Policy;
- c) Execution of relevant fit and proper assessment checks as set out below:
 - Bankruptcy Check
 - Conflict of Interest Declaration
 - Qualification and Experience supported by relevant documentation (qualification, reference, etc)

5.3 Fit and Proper Criteria and Prudent Judgement

The Company will make its decision based on the provision of information as outlined within this policy. The Company will also make reasonable enquiries to obtain relevant information that can be taken into account in making a fit and proper assessment, in

addition to the Fit and Proper Declaration Form completed by the Key Responsible Persons.

The information may include a person's formal qualifications and attainments, curriculum vitae, referee reports obtained as part of a recruitment process, and any other publicly available information that is relevant to the fit and proper assessment.

5.4 Failure to Meet Fit and Proper Criteria

Where a person is found to be not fit and proper, the responsible person is required to resign, or their appointment will be terminated immediately.

5.5 Disclosure of Information Relevant to a Fit and Proper Assessment

Key Responsible Persons are required to disclose to the Company all information that may be relevant to a fit and proper assessment. The Company will take all reasonable steps to ensure compliance with Personal Data Protection Act 2010 ("PDPA") in collecting and using the information about Key Responsible Persons as part of the assessment process.

Conflict of interest are required to be disclosed by Key Responsible Persons on initial appointment and ongoing basis, or for directors, being given the opportunity to declare any interests at each Board meeting.

6.0 DOCUMENT RETENTION AND REPORTING

The Company will maintain on file information related to the fit and proper assessment of all current and past Key Responsible Persons. Fit and proper assessment results are available to the Chairman and to be tabled annually at a Board meeting.

The Fit and Proper Policy has been approved and adopted by the Board of Directors on 5 July 2022.

APPENDIX

STRICTLY CONFIDENTIAL

KEY RESPONSIBLE PERSONS DECLARATION OF FIT AND PROPER

Name : _____

NRIC/Passport No : _____

Do hereby solemnly affirm and declare the following:

No.	Criteria	YES	NO
Character and Integrity			
(a)	I have not been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;		
(b)	I have not contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies; <i>(For example, provisions in Bursa Malaysia Listing Requirements, Companies Act 2016)</i>		
(c)	I or any business in which I have a controlling interest or exercises significant influence, have not been investigated, disciplined, suspended, or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;		
(d)	I have not been engaged in any business practices which are deceitful, oppressive, or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on my professional conduct;		
(e)	I have not been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about my honesty and integrity;		
(f)	I have not held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while I was connected with that business;		
(g)	I have not been a director of, or directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia, or of any licensed institution, the license of which has been revoked under any written law;		
(h)	In the past, I have not acted unfairly or dishonestly in his dealings with his customers, employer, auditors, and regulatory authorities;		
		YES	NO
Character, Integrity and Financial Integrity			
(a)	I have not at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices;		

(b)	I am free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of my judgement when acting in the capacity of a key responsible person which would be disadvantageous to the Company;		
(c)	I am and will be able to fulfill my financial obligations, whether in Malaysia or elsewhere, as and when they fall due;		
(d)	To my knowledge, I have not been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.		
Experience and Competence			
(a)	I have the appropriate qualification, skills, experience and competence to effectively fulfill the role and responsibilities of my position;		
(b)	I have satisfactory past performance or expertise in the nature of the business being conducted.		
Time and Commitment			
(a)	I can allocate sufficient time to commit and perform my duties in the Company. Number of directorship in public listed companies are not more than 5.		

Where you have ticked "NO", please explain and/or provide the relevant documents

Explanation for items ticked "NO"	
No.	Explanation

I make this solemn declaration conscientiously the same to be true.

.....
(Signature)

Name:

Date: