

**INARI AMERTRON BERHAD**  
**Fit and Proper Policy for Directors**

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## **1. Introduction**

### **1.1 Policy statement and objective**

- 1.1.1 The Board of Directors (the “Board”) of Inari Amertron Berhad (“Inari” or the “Company”) is committed to build value for shareholders by providing strategic leadership to the Company. In understanding the importance of driving objective and meritorious appointments at the leadership level, the Board has set out the Fit and Proper Policy for Directors (the “Policy” or “Document”).
- 1.1.2 The objective for the Policy is to set out the Company’s approach to the assessment of the fitness and propriety of individuals who hold, or who are to be appointed or elected to the Board.
- 1.1.3 The Policy is an extension of Inari’s corporate governance framework and serves as a guiding document to ensure Directors possess the necessary competence, character, diligence, honesty, integrity and judgement required to perform their respective roles.

### **1.2 Scope and application**

- 1.2.1 Where there is a conflict between the contents of this Policy and the authoritative promulgations, the relevant enumerations contained in the said authoritative promulgations or the Company’s Constitution shall prevail.
- 1.2.2 This Policy should be read together with the relevant enumerations encapsulated in the following authoritative promulgations:
  - a) Malaysian Code on Corporate Governance (“MCCG”);
  - b) Corporate Governance Guide (4<sup>th</sup> Edition) by Bursa Malaysia Securities Berhad (“CG Guide”); and
  - c) Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”).

## **2. Fit and proper assessment**

This section outlines the baseline criteria for the fit and proper assessment. The Board, together with the NC shall conduct the fit and proper assessment of individual Directors with due regard to the considerations listed in this section via the annual Board Effectiveness Evaluation exercise.

### **2.1 Fit and proper criteria**

In assessing Directors, the NC should consider matters including, but not limited to the following:

#### **2.1.1 Character and integrity**

- (a) Probity
  - i. The individual is compliant with legal obligations, regulatory requirements and professional standards; and
  - ii. The individual has not been obstructive, misleading or untruthful in dealings with auditors, regulatory authorities or a court.

- (b) Personal Integrity
  - i. The individual 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;
  - ii. The individual's service contract in the capacity of a Director, had not been terminated in the past due to concerns on personal integrity; and
  - iii. The individual has not contravened any requirements imposed by authorities or bodies, or failed to uphold any professional or ethical standards issued.
- (c) Financial Integrity
  - i. The individual has demonstrated prudent management of personal financial affairs including managing debts satisfactorily; and
  - ii. The individual has been and will be able to fulfil his financial obligations, whether in Malaysia or elsewhere, as and when they fall due.
- (d) Reputation
  - i. The individual is of good repute in the financial and business community;
  - ii. The individual has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity;
  - iii. The individual who is **an active politician**<sup>1</sup> is discouraged from holding a directorship on the board (*Guidance to Practice 5.5. of MCCG*); and
  - iv. The individual 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.

#### 2.1.2 Experience and competence

- (a) Qualifications, training and skills
  - i. The individual possesses the appropriate education qualification, experience and expertise that is relevant to effectively fulfil the role and responsibilities;
  - ii. The individual keeps knowledge current based on continuous professional development; and
  - iii. The individual possesses general management skills as well as understanding of corporate governance and sustainability issues.
- (b) Relevant past performance or track record
  - i. The individual 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; and
  - ii. The individual has demonstrated either satisfactory expertise in the nature of the business being conducted or satisfactory past performance.

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<sup>1</sup> An active politician refers to a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party.

### 2.1.3 Time and commitment

- (a) Ability to discharge role having regard to other commitments
  - i. The individual is 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); and
  - ii. The directorships held by any Board member at any one time shall **not exceed five (5)** in listed companies [*Paragraph 15.06 of MMLR*].
- (b) Participation and contribution in the Board
  - i. The Director exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others;
  - ii. The Director demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
  - iii. The Director manifests passion in the vocation of a Director and exhibits the ability to articulate views independently, objectively and constructively.

## 2.2 Assessment

- 2.2.1 The NC leads the annual assessment of the appropriate skills, experience and characteristics required of Board members which is set out in Section 2.1 of this Policy via the annual Board Effectiveness Evaluation exercise, before recommending to the Board for consideration and approval. The fit and proper assessment may also be conducted whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.
- 2.2.2 The Company Secretary is responsible for providing information to the NC on matters concerning the procedure for the fit and proper assessment and shall lead the documentation process including ensuring that prior to the assessment, each individual Director has given consent to the Company to perform the necessary information verification.
- 2.2.3 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

## 3. Reporting

A summary of this Policy will be included in Inari's corporate website [*Paragraph 15.01(A) of MMLR*]. The publication of this Policy seeks to provide all stakeholders with accessibility that allows them to be better informed in the exercise of their rights.

The disclosures of the activities of the NC, which is included in the Company's Annual Report and Corporate Governance Report shall cover the application of the Company's fit and proper policy [*Paragraph 15.08(A) of MMLR and Guidance to Practice 6.1 of MCCG*].

## 4. Review of the Policy

The NC shall periodically review this Policy to be in line with legislative promulgations and better practices. All revisions or amendments to this Policy as recommended by the NC will be submitted to the Board for consideration and approval.

This Policy has been approved by the Board on 28 June 2022 and is available on the Company's website.