



UMEDIC GROUP BERHAD

[COMPANY NO.: 202101015347 (1415647-D)]

(Incorporated in Malaysia)

DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

1.1 Paragraph 15.01A of Bursa Securities Listing Requirements [updated as at 1 January 2022] require all listed issuers to:

1.1.1 have a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries;

1.1.2 ensure the policy addresses board quality and integrity and will aid the listed issuer to comply with paragraph 2.20A of these Requirements; and

1.1.3 make available the policy on its website.

1.2 According to paragraph 2.20A of Bursa Securities Listing Requirements [updated as at 1 January 2022], 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.

1.3 UMediC Group Berhad ("Company" or "UMC") has adopted this Fit and Proper Policy for Directors ("Policy") to provide a systematic, comprehensive, and streamlined process for the appointment and re-election of directors and senior management of the Company and its subsidiaries.

1.4 UMC is obliged to adhere to the requirements set forth in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other applicable rules and regulations at the prevailing country in the course of designing this Fit and Proper Policy.

2. POLICY OBJECTIVES

2.1 The primary objectives of the Fit and Proper Policy are:

2.1.1 to establish the Company's fit and proper criteria for appointment and re-appointment of Directors to the Boards of Directors ("Board") of UMC and its subsidiaries.

2.1.2 to ensure that the Directors possess the character, integrity, relevant skills, knowledge, experience, competence, time and commitment to effectively carry out their roles and duties in the best interest of the Company and its stakeholders.

2.1.3 to guide the Nomination & Remuneration Committee ("NRC") and the Board in their review and evaluation of potential candidates who are to be appointed to the Board as well as existing Directors who are seeking for re-election.

3. FIT AND PROPER CRITERIA

3.1 The fit and proper criteria of UMC Directors include but are not limited to the following: -

3.1.1 Character and Integrity

a. Probity

- i. is compliant with legal obligations, regulatory requirements, and professional standards;
- ii. has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

b. Personal Integrity

- i. 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. service contract (i.e., in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity;
- iii. 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.

c. Financial Integrity

- i. manages personal debts or financial affairs satisfactorily;
- ii. demonstrates the ability to fulfil personal financial obligations as and when they fall due.

d. Reputation

- i. is of good repute in the financial and business community;
- ii. has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- iii. 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.

3.1.2 Experience and Competence

a. Qualifications, Training and Skills

- i. 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);
 - ii. has a considerable understanding of the workings of a corporation;
 - iii. possesses general management skills as well as understanding of corporate governance and sustainability issues;
 - iv. keeps knowledge current based on continuous professional development;
 - v. possesses leadership capabilities and a high level of emotional intelligence.
- b. Relevant Experience and Expertise
- i. possesses relevant experience and expertise with due consideration given to the past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.
- c. Relevant Past Performance or Track Record
- i. had 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;
 - ii. possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

3.1.3 Time and Commitment

- a. Ability to Discharge Role Having Regard to Other Commitments
- i. able to devote time as a board member, having factored in other outside obligations including concurrent board positions held by the director across listed issuers and non-listed entities (including not-for-profit organizations).
- b. Participation and Contribution to The Board or Track Record
- i. demonstrates willingness to participate actively in board activities;
 - ii. demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
 - iii. manifests passion in the vocation of a director;
 - iv. exhibits ability to articulate views independently, objectively and constructively;

- v. exhibits open-mindedness to the views of others and ability to make a considered judgment after hearing the views of others.

4. ASSESSMENT AND EVALUATION

- 4.1 Prior to recommendation for Board's approval, the NRC will evaluate and assess candidates for new appointment and re-appointment of Directors individually and collectively whether the Directors fulfill the fit and proper criteria outlined in 3.1 above.
- 4.2 The Directors will be evaluated based on the Board and Board Committee Evaluation Form for new appointment of potential candidates or re-appointment of Directors.
- 4.3 The NRC shall recommend the candidate's appointment as a new Director of UMC or re-appointment of the Director to the Board for deliberation and approval if the assessment and evaluation results are satisfactory based on 4.1 and 4.2 above.
- 4.4 The results of the assessments and evaluations shall be for the strict use of the NRC and will not be shared for public disclosure or provided to any other party.

5. REVIEW OF THE POLICY

- 5.1 The NRC is responsible of reviewing the Policy on a regular basis and making any recommended changes as and when it deemed fit for the Board's approval. The Policy will be updated to reflect any legislative or regulatory changes as well as the best practices under the Malaysian Code of Corporate Governance.

This Fit and Proper Policy for Directors has been approved and adopted by the Board on 7 June 2022.