

Type of Document	Policy & Procedure
Required For	Approval
Data Classification	For Internal Use Only



# ALLIANCE BANK

## GROUP POLICY ON FIT AND PROPER

*DEPARTMENT: Group Corporate Secretarial  
31 October 2024*



**Issue Date:**

**31 October 2024**

**Next Review Date:**

**31 October 2026**

**Version No:**

**5.2/2024**

**Version Control:**

<b>Version No.</b>	<b>Date</b>
<b>1.0</b>	<b>22 November 2011</b>
<b>2.0</b>	<b>28 January 2014</b>
<b>3.0</b>	<b>27 October 2016</b>
<b>4.0</b>	<b>27 September 2018</b>
<b>5.0</b>	<b>27 October 2020</b>
<b>5.1</b>	<b>31 October 2022</b>
<b>5.2</b>	<b>31 October 2024</b>

**Issue Date:****31 October 2024****Next Review Date:****31 October 2026****Version No:****5.2/2024**



A	SUMMARY OF CHANGES TO THE EXISTING DOCUMENT																										
No.	Existing	Revised	Remarks/ Reasons of Change																								
SECTION B : SUPPLEMENTARY POLICY ON FIT AND PROPER																											
1.	<p><b>4.3 Appointment and Approval Process</b></p> <p>Final approval for the appointment of a Key Responsible Person or Company Secretary is the responsibility of the following persons:</p> <table><tr><td><b>In relation to</b></td><td><b>Appointment Approval</b></td></tr><tr><td>Directors, members of Shariah Committee, Group CEO/CEO, Company Secretary</td><td>Board as a whole</td></tr><tr><td>Group Chief Internal Auditor</td><td>GAC</td></tr><tr><td>Group Chief Risk Officer and Group Chief Compliance Officer</td><td>GRMC</td></tr><tr><td>Other MANCO Members</td><td>GNRC</td></tr><tr><td>Other Key Responsible Persons</td><td>Group CEO</td></tr></table> <p>The appointments approved by GRMC, GAC, or Group CEO must be reported to the GNRC at its next meeting or via email from time to time.</p>	<b>In relation to</b>	<b>Appointment Approval</b>	Directors, members of Shariah Committee, Group CEO/CEO, Company Secretary	Board as a whole	Group Chief Internal Auditor	GAC	Group Chief Risk Officer and Group Chief Compliance Officer	GRMC	Other MANCO Members	GNRC	Other Key Responsible Persons	Group CEO	<p><b>4.3 Appointment and Approval Process</b></p> <p>Final approval for the appointment <u>or re-appointment</u> of a Key Responsible Person or Company Secretary is the responsibility of the following persons:</p> <table><tr><td><b>In relation to</b></td><td><b>Appointment Approval</b></td></tr><tr><td>Directors, members of Shariah Committee, Group CEO/CEO, Company Secretary</td><td>Board as a whole</td></tr><tr><td>Group Chief Internal Auditor</td><td>GAC</td></tr><tr><td>Group Chief Risk Officer and Group Chief Compliance Officer</td><td>GRMC</td></tr><tr><td>Other MANCO Members</td><td>GNRC</td></tr><tr><td>Other Key Responsible Persons</td><td>Group CEO</td></tr></table> <p>Any appointments approved by GRMC, GAC, or Group CEO shall be reported to the GNRC at its next meeting.</p>	<b>In relation to</b>	<b>Appointment Approval</b>	Directors, members of Shariah Committee, Group CEO/CEO, Company Secretary	Board as a whole	Group Chief Internal Auditor	GAC	Group Chief Risk Officer and Group Chief Compliance Officer	GRMC	Other MANCO Members	GNRC	Other Key Responsible Persons	Group CEO	<p>To provide clarity and in line with the current practice.</p> <p>For clarity and to reflect the current practice.</p>
<b>In relation to</b>	<b>Appointment Approval</b>																										
Directors, members of Shariah Committee, Group CEO/CEO, Company Secretary	Board as a whole																										
Group Chief Internal Auditor	GAC																										
Group Chief Risk Officer and Group Chief Compliance Officer	GRMC																										
Other MANCO Members	GNRC																										
Other Key Responsible Persons	Group CEO																										
<b>In relation to</b>	<b>Appointment Approval</b>																										
Directors, members of Shariah Committee, Group CEO/CEO, Company Secretary	Board as a whole																										
Group Chief Internal Auditor	GAC																										
Group Chief Risk Officer and Group Chief Compliance Officer	GRMC																										
Other MANCO Members	GNRC																										
Other Key Responsible Persons	Group CEO																										

Issue Date:

31 October 2024

Next Review Date:

31 October 2026

Version No:

5.2/2024



<b>B SELF RISK ASSESSMENT BY DOCUMENT OWNER</b>			
<b>No.</b>	<b>Risk Type</b>	<b>Risk Description</b>	<b>Mitigation/ Control</b>
1.	Compliance Risk (External)	Non-compliance to the Group's Policy on Fit and Proper may lead to breach on the Bank Negara Malaysia ("BNM")'s Policy Document on Fit and Proper Criteria, BNM's Policy Document on Corporate Governance, Financial Services Act 2013 and Islamic Financial Services Act 2013.	The Group's Policy on Fit and Proper have been established to govern this area for compliance with regulatory requirements.

**Issue Date:****31 October 2024****Next Review Date:****31 October 2026****Version No:****5.2/2024**



<b>SECTION</b>	<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>Section A : Core Policy on Fit and Proper</b>		
1.	<b>Background, Applicability and Review of this Policy</b>	<b>10</b>
2.	<b>Fit and Proper Criteria and Policies</b> 2.1 Definition and Identification of Key Responsible Persons 2.2 General Principles 2.3 Assessment and Appointment of Key Responsible Persons and Company Secretary 2.4 Monitoring on the continuing requirements of Key Responsible Persons and Company Secretary 2.5 Other Requirements <b>Table 1</b>	<b>10 - 14</b>
<b>Section B : Supplementary Policy on Fit and Proper</b>		
1.	<b>Purpose, Applicability and Review of this Policy</b>	<b>15</b>
2.	<b>The Individuals Who Must Be Assessed</b> 2.1 Key Responsible Persons 2.2 Senior Officers 2.3 Responsibilities for Assessment of Key Responsible Persons and the Company Secretary	<b>15 - 16</b>
3.	<b>Fitness and Propriety</b> 3.1 General Principles 3.2 Relevant Factors 3.3 Conflicts of Interest 3.4 Disqualification	<b>16 - 21</b>

**Issue Date:****31 October 2024****Next Review Date:****31 October 2026****Version No:****5.2/2024**



<b>SECTION</b>	<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
4.	<b>Appointing Key Responsible Persons and the Company Secretary</b> 4.1 Prerequisites to Recommendation for Appointment 4.2 Assessment Before Appointment 4.3 Appointment and Approval Process 4.4 Documentation on Nomination or Appointment	21 – 23
5.	<b>Continuing Requirements – Key Responsible Persons and the Company Secretary</b> 5.1 Requirement to continue to satisfy the standard for fitness and propriety 5.2 Documentation Updates 5.3 Reassessment of Fitness and Propriety 5.4 Action if a Key Responsible Person or the Company Secretary does not continue to satisfy the standard for fitness and propriety	24 - 25
6.	<b>Privacy and Confidentiality</b>	25
7.	<b>Documents Retained with this Policy</b>	26
<b>Section C : Fit and Proper Declaration</b>		
1.	<b>Fit and Proper Declaration by Key Responsible Persons or Company Secretary</b>	27 - 29

**Issue Date:****31 October 2024****Next Review Date:****31 October 2026****Version No:****5.2/2024**

**SECTION A : CORE POLICY ON FIT AND PROPER****1. Background, Applicability and Review of this Policy**

BNM requires all Financial Institutions (FIs) to establish policies and procedures to ensure all persons holding positions of responsibility, i.e. “Key Responsible Persons” and Company Secretary in the FIs are fit in accordance with its guideline on “Fit and Proper Criteria” (BNM Guidelines).

As such, the policies on “Fit and Proper” have been developed for Alliance Bank Malaysia Berhad and/or its subsidiaries (the Group) and segregated into 2 parts, i.e. Core Policy document and Supplementary Policy document, whereby the former (referring to this Policy document) is to be approved by the Board whilst approval for the latter (together with the procedures) is delegated to Group Nomination and Remuneration Committee (GNRC).

This Policy is applicable to the Group as a whole, and shall be reviewed at least once in every two (2) years.

**2. Fit and Proper Criteria and Policies**

This document contains the core policies. The detailed definition and elucidation is provided in the supplementary policy document, guided by the BNM Guidelines. In view of this, the key criteria that are expected of the Group are detailed out in the following table:

No.	Criteria	Details
2.1	Definition and identification of Key Responsible Persons	<p>Definition of Key Responsible Persons refers to key persons that are accountable/ responsible for the management and oversight of the Group. This includes the Directors; members of Shariah Committee; Chief Executive Officers (CEOs); and Senior Officers<sup>1</sup></p> <p>Senior Officers refer to:</p> <ul style="list-style-type: none"><li>(i) any person performing a senior management function whose primary or significant responsibility is for the management and performance of significant business activities of the Group, including a person who:<ul style="list-style-type: none"><li>a. has the authority over, makes or has substantial influence in making decisions that affect the whole or a substantial part of the Group’s business;</li></ul></li></ul>

<sup>1</sup> For the avoidance of doubt, senior officers do not include the company secretary

<b>Issue Date:</b> <b>31 October 2024</b>	<b>Page 8</b>	<b>Version No:</b> <b>5.2/2024</b>
<b>Next Review Date:</b> <b>31 October 2026</b>		





No.	Criteria	Details
		<p>b. is principally accountable or responsible, whether solely or jointly with other persons, for implementing and enforcing policies and strategies approved by the Board; or</p> <p>c. is principally accountable or responsible, whether solely or jointly with other persons, for developing and implementing systems, internal controls and processes that identify, measure, monitor or control the Group's risks.</p> <p>(ii) any person who assumes primary or significant responsibility for key control functions, including a person who is principally accountable or responsible, whether solely or jointly with other persons, for monitoring the appropriateness, adequacy and effectiveness of the Group's internal controls, risk management and compliance systems and processes which includes the chief internal auditor, chief risk officer, chief compliance officer and chief financial officer. It also includes any person who is mainly accountable or responsible for key functions of the Group under a centralised group function or shared services arrangement.</p>
2.2	General Principles	<p><b><u>Fitness and Propriety</u></b></p> <p>The general principles of what is "fit and propriety":</p> <p>Fit                    -    competencies requirement (knowledge, skills and experience).</p> <p>Propriety        -    expected act of honesty &amp; integrity.</p> <p><b><u>Relevant Factors</u></b></p> <p>The relevant factors as laid down in BNM Guidelines (paragraphs 11.1 – 11.2, 12.1 – 12.2 and 13.1 – 13.3) must be taken into account in reaching a judgment as to whether an individual has the fitness and propriety to act as a Key Responsible Person, which includes:</p> <ul style="list-style-type: none"><li>• Probity, personal integrity and reputation;</li><li>• Competence and capability; and</li><li>• Financial integrity.</li></ul>

Issue Date:

31 October 2024

Next Review Date:

31 October 2026

Version No:

5.2/2024



No.	Criteria	Details
		<p>Paragraphs 11.1 – 11.2 and 12.1 – 12.2 as laid down in BNM Guidelines must be taken into account in reaching a judgment as to whether the Company Secretary has the fitness and propriety for the role of a company secretary, which includes:</p> <ul style="list-style-type: none"> <li>• Probity, personal integrity and reputation; and</li> <li>• Competence and capability.</li> </ul> <p><b><u>Conflicts of Interest</u></b></p> <p>If a person has a conflict of interest, that person will not be appointed to, or permitted to hold a Key Responsible Person position or as the Company Secretary if the Group is satisfied that the conflict will create a material risk that the person will fail to perform properly the duties of the position.</p> <p>At minimum, the following factors should be included:</p> <ul style="list-style-type: none"> <li>• Confirmation required in the Fit And Proper Declaration of Key Responsible Persons and the Company Secretary;</li> <li>• Former auditors' appointment as Key Responsible Persons or the Company Secretary;</li> </ul> <p><b><u>Disqualification</u></b></p> <p>A person will not be appointed or permitted to continue to act as a Key Responsible Person or the Company Secretary of the Group if he/she is or become a Disqualified Person under the legislation relevant to the Group or in any other circumstances that would disqualify the person.</p> <p>Where the Board or GNRC has assessed that the Company Secretary no longer demonstrate the qualities for the role of company secretary, the Board must take immediate steps to reduce the risks associated with him continuing to hold the position and remove him as soon as possible. BNM must be notified in writing of such removal within 7 days.</p> <p><b><u>Clear Procedures</u></b></p> <p>The procedures and point in time for conducting fit and proper assessments must be clearly established.</p>
2.3	Assessment and Appointment of Key Responsible Persons and Company	The process of assessing and appointing Key Responsible Persons or Company Secretary should at least comprise the following:

Issue Date:

31 October 2024

Next Review Date:

31 October 2026

Version No:

5.2/2024



No.	Criteria	Details
	Secretary	<ul style="list-style-type: none"><li>• Prerequisites analysis to recommendation for appointment;</li><li>• There must be parties designated to assume the responsibility of conducting assessments to determine the fitness and propriety of the Key Responsible Persons or the Company Secretary, and parties to approve the appointments (Please refer to <b>Table 1</b> for details of the parties);</li><li>• The fit and proper assessment conducted must be supported by relevant information and steps should be taken to verify those information against independent sources; and</li><li>• Documentation and safekeeping for the recommendation and appointment.</li></ul>
2.4	Monitoring on the continuing requirements of Key Responsible Persons and Company Secretary	<p>The Group should establish the continuing requirements expected from its Key Responsible Persons or the Company Secretary, which include the following:</p> <ul style="list-style-type: none"><li>• Requirement to continuously satisfy the standards for fitness and propriety;</li><li>• To be informed and provided with documentations pertaining to any updates to this Policy;</li><li>• Reassessment on the fitness and propriety of the Key Responsible Persons or the Company Secretary to be conducted annually or as and when necessary, which could include the following material changes;<ul style="list-style-type: none"><li>➢ Structure and organization of the Group</li><li>➢ Business activities of the Group</li><li>➢ External environment in which the Group operates</li></ul></li><li>• Actions to be taken if a Key Responsible Person or the Company Secretary does not continue to satisfy the standard for fitness and propriety.</li></ul> <p>The Board is responsible for monitoring and ensuring on-going compliance with policies and procedures relating to fit and proper requirements. This includes the immediate notification by the Board to BNM on any removal of Key Responsible Person or the Company Secretary who is not deemed fit and proper for the position.</p>

Issue Date:

31 October 2024

Next Review Date:

31 October 2026

Version No:

5.2/2024



No.	Criteria	Details
		As such, proper procedures should be established to ensure GNRC, Group Risk Management Committee (GRMC), Group Audit Committee (GAC) and Group CEO notify the Board on the results of assessments that deemed a person to be not fit and proper, in order for the Board not to appoint the person/remove the person from such position.
2.5	Other Requirements	<p>Among the other requirements that require clear definitions within the Group are:</p> <ul style="list-style-type: none"> <li>• Requirements to ensure the privacy and confidentiality of information collected under this Policy;</li> <li>• Protection against any discriminatory actions by the Group to persons providing information that may be relevant for a fit and proper assessment; and</li> <li>• Retention of documents related to this Policy.</li> </ul>

**Table 1:** Parties involved in assessing and approving the appointments of Key Responsible Persons and Company Secretary:

No.	In Relation to	Prerequisites Recommendation & Assessment by	Appointment Approvals
1.	<ul style="list-style-type: none"> <li>• Directors</li> <li>• Members of Shariah Committee</li> <li>• Group CEO/CEO</li> <li>• Company Secretary</li> </ul>	GNRC, assisted by Group Human Resource (Group HR)	Board as a whole
2.	<ul style="list-style-type: none"> <li>• Group Chief Risk Officer</li> <li>• Group Chief Compliance Officer</li> </ul>	GRMC, assisted by Group HR	GRMC
3.	<ul style="list-style-type: none"> <li>• Group Chief Internal Auditor</li> </ul>	GAC, assisted by Group HR	GAC
4.	<ul style="list-style-type: none"> <li>• Other MANCO Members</li> </ul>	GNRC, assisted by Group HR	GNRC
5.	<ul style="list-style-type: none"> <li>• Other Key Responsible Persons</li> </ul>	Group CEO, assisted by Group HR	Group CEO

**Note:**

Assessments and appointments approved by GRMC, GAC, and Group CEO must be reported to the GNRC accordingly.

Issue Date: 31 October 2024	Page 12	Version No: 5.2/2024
Next Review Date: 31 October 2026		

**SECTION B : SUPPLEMENTARY POLICY ON FIT AND PROPER****1. Purpose, Applicability and Review of this Policy**

The purpose of this Policy is to provide a detailed explanation on the policies set in the “Core Policy on Fit and Proper” document. As such, this Policy must be in conformance with the Core Policy document, and at the same time guided by BNM’s guideline on “Fit and Proper Criteria”. This is vital in ensuring that the interests of customers, stakeholders and shareholders are managed and overseen competently and by honest and trustworthy individuals. This is achieved by making sure that all persons who hold positions of responsibility are fit.

This Policy shall be applicable to Alliance Bank Malaysia Berhad and/or its subsidiaries (the Group) and has been developed to ensure that individuals appointed to Key Responsible Person and Company Secretary positions have the appropriate skills, experience and knowledge for their roles and act with honesty and integrity and that all Key Responsible Persons and the Company Secretary are fit and proper to direct and manage the Group’s key business activities and functions.

This Policy shall be reviewed at least once in every two (2) years to ensure its relevance and alignment with material changes in the business and risk profile and strategies of the Group.

**2. The Individuals Who Must Be Assessed**

The individuals who must be assessed are those who are appointed as Key Responsible Persons and the Company Secretary of the Group.

**2.1 Key Responsible Persons**

Key Responsible Persons are key persons that are accountable or responsible for the management and oversight of the Group. These comprise:

- (i) Directors;
- (ii) Members of the Shariah Committee;
- (iii) Chief Executive Officers (CEOs) ;
- (iv) Senior Officers<sup>1</sup>

<sup>1</sup> For the avoidance of doubt, senior officers do not include the company secretary.

**2.2 Senior Officers**

For the purpose of item 2.1 (iv) above, Senior Officers refer to:

- (i) any person performing a senior management function whose primary or significant responsibility is for the management and performance of significant business activities of the Group, including a person who:

<b>Issue Date:</b> <b>31 October 2024</b>	<b>Page 13</b>	<b>Version No:</b> <b>5.2/2024</b>
<b>Next Review Date:</b> <b>31 October 2026</b>		



- a. has the authority over, makes or has substantial influence in making decisions that affect the whole or a substantial part of the Group's business;
  - b. is principally accountable or responsible, whether solely or jointly with other persons, for implementing and enforcing policies and strategies approved by the Board; or
  - c. is principally accountable or responsible, whether solely or jointly with other persons, for developing and implementing systems, internal controls and processes that identify, measure, monitor or control the Group's risks.
- (ii) any person who assumes primary or significant responsibility for key control functions, including a person who is principally accountable or responsible, whether solely or jointly with other persons, for monitoring the appropriateness, adequacy and effectiveness of the Group's internal controls, risk management and compliance systems and processes and includes the chief internal auditor, chief risk officer, chief compliance officer, chief financial officer and the appointed actuary. It also includes any person who is mainly accountable or responsible for key functions of the Group under a centralised group function or shared services arrangement.

Notwithstanding the foregoing, all Management Committee (MANCO) members of the Group shall be Key Responsible Persons for the purpose of this Policy.

### **2.3 Responsibility for Assessment of Key Responsible Persons and the Company Secretary**

The Group Nomination and Remuneration Committee (GNRC) shall be primarily responsible for ensuring that all Key Responsible Persons and the Company Secretary fulfill fit and proper requirements and for conducting assessments of the fitness and propriety of Directors, members of Shariah Committee, Group CEO/CEO, the Company Secretary and other MANCO Members.

Group Risk Management Committee (GRMC), assisted by Group Human Resource (Group HR), will be responsible for conducting assessments of the fitness and propriety of the Group Chief Risk Officer and Group Chief Compliance Officer, while similar assessments on Group Chief Internal Auditor will be conducted by the Group Audit Committee (GAC) with the assistance of Group HR. For other Key Responsible Persons, assessments of fit and proper may be made by the Group CEO and assisted by Group HR.

## **3. Fitness and Propriety**

### **3.1 General Principles**

#### **(a) Fitness**

Key Responsible Persons and the Company Secretary must have appropriate knowledge, skills and experience. The Group CEO (or delegate), must identify and document the competency requirements for the Key Responsible Person positions by way of a job description.

<b>Issue Date:</b> <b>31 October 2024</b>	<b>Page 14</b>	<b>Version No:</b> <b>5.2/2024</b>
<b>Next Review Date:</b> <b>31 October 2026</b>		



The Chairman of the Bank (or delegate) must identify and document the competency requirements for the Group CEO's position by way of a job description.

In the case of Directors, every director is generally expected to have a general knowledge of:

- the role and responsibilities of a Director;
- the Group, its business and its regulatory environment;
- financial reporting; and
- risk management practices.

However, each Director is not expected to have all the competencies that the Board collectively needs if other directors have those competencies, or they are obtained from external consultants or experts.

### **(b) Propriety**

Key Responsible Persons and the Company Secretary must also act with honesty and integrity and therefore each Key Responsible Person and the Company Secretary, individually, must satisfy requirements in relation to propriety.

## **3.2 Relevant Factors**

The relevant factors which will be taken into account in reaching a judgment as to an individual's fitness and propriety to act as a Key Responsible Person or the Company Secretary include the following:

- (a) The person's qualities, competence and experience relative to the duties involved, including whether there are reasonable grounds to believe the person:
  - (i) possesses the personal qualities such as honesty, integrity, independence of mind and fairness, and necessary skills, knowledge, expertise, diligence and soundness of judgement to undertake and fulfill the particular duties and responsibilities of the role in question;
  - (ii) has demonstrated the appropriate competence in fulfilling occupational, managerial or professional responsibilities previously and / or in the conduct of his or her current duties; and
  - (iii) has managed his debts or financial affairs prudently.
- (b) Whether the person:
  - (i) is or has 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>Issue Date:</b> 31 October 2024	<b>Page 15</b>	<b>Version No:</b> 5.2/2024
<b>Next Review Date:</b> 31 October 2026		



- (ii) has contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;
- (iii) has contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;
- (iv) or any business in which he has a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;
- (v) has been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;
- (vi) has 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 his honesty and integrity;
- (vii) has been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorization, membership or a license to conduct any trade, business or profession, or has had that registration, authorization, membership or license revoked, withdrawn or terminated;
- (viii) has held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while the person was connected with that business;
- (ix) has 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 financial institution, the license of which has been revoked;
- (x) has acted unfairly or dishonestly, in the past, in his dealings with his customers, employer, auditors and regulatory authorities or other third parties;
- (xi) has at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations;
- (xii) has contributed significantly to the failure of an organization or a business unit;
- (xiii) has at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices; and

<b>Issue Date:</b> <b>31 October 2024</b>	<b>Page 16</b>	<b>Version No:</b> <b>5.2/2024</b>
<b>Next Review Date:</b> <b>31 October 2026</b>		





- (xiv) is involved in 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 Key Responsible Person or Company Secretary which would be disadvantageous to the Group or the Group's interest.
- (xv) has been appointed or elected for office as a Director or officer of another organisation without the respective entities' prior approval, if applicable.
- (c) whether the person :
  - (i) has the appropriate qualification, training, skills, practical experience and commitment to effectively fulfill the role and responsibilities of the Key Responsible Person or Company Secretary positions and in the case of directors, having regard to their other commitments that may give rise to competing time commitments and impairing his/her ability to discharge his/her role as director effectively; and
  - (ii) has satisfactory past performance or expertise in the nature of the business being conducted.
- (d) whether the person :
  - (i) has been and will be able to fulfill his financial obligations, whether in Malaysia or elsewhere, as and when they fall due; and
  - (ii) has been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.
- (e) whether the person :
  - (i) has been involved in the audit of the Group in the previous three years;
  - (ii) has been disqualified under any legislation; or prohibited from being an officer under the Companies Act 2016 or overseas equivalent; and
  - (iii) has adhered to the Group's Whistle Blower Policy, Anti-Bribery & Corruption Policy and Procedures and the Gifts & Entertainment Policy.

The foregoing is not an exhaustive list but includes examples of matters that the Group will consider when assessing an individual's status or suitability. Demonstration of one or more of the above criterion is not, in itself, sufficient to make an individual not fit and proper. The Group will consider the specific circumstances surrounding a person's failure to meet specific indicators, including the lapse of time since the occurrence of events and the significance of the event from the perspective of potential risks posed to the Group.

<b>Issue Date:</b> <b>31 October 2024</b>	<b>Page 17</b>	<b>Version No:</b> <b>5.2/2024</b>
<b>Next Review Date:</b> <b>31 October 2026</b>		



In addition, if a person has a conflict of interest, that person will not be appointed to, or permitted to hold, a Key Responsible Person or the Company Secretary position if the Group is satisfied that the conflict will create a material risk that the person will fail to perform properly the duties of the position.

### **3.3 Conflicts of Interest**

#### **(a) Generally**

Key Responsible Persons and the Company Secretary are required to act in the best interests of the Group at all times.

The Fit and Proper Declaration requires a declaration that there are no actual or potential conflicts of interest that are likely to influence the person's ability to carry out his or her role and functions with appropriate probity and competence. If this declaration cannot be made, details of any conflicts must be disclosed. This Fit and Proper Declaration must be repeated annually.

A person is not fit and proper unless the person either:

- (A) has no conflict of interest in performing the duties of the Key Responsible Person or the Company Secretary positions; or
- (B) if the person has a conflict of interest, the conflict does not create a material risk that the person will fail to perform properly the duties of the position.

Directors are required to disclose at any meeting of Directors any conflict or conflicts that might arise, as and when they arise, and to absent themselves from meetings at which matters in relation to which they have a conflict are discussed, unless other Directors resolve that they should be present.

Key Responsible Persons and the Company Secretary may only accept and receive token gifts, modest hospitality and professional courtesies. They must not accept or give a gift, hospitality or courtesy that could either lead to, or be seen to lead to, a conflict of interest such that their judgment is prejudiced or improperly influenced, which is against the Anti-Bribery & Corruption Policy and Procedures and the Gifts & Entertainment Policy.

#### **(b) Former Auditors**

It is not appropriate that a person who has previously been involved in the audit of the Group be appointed as a Director or to a senior management position within three years after the audit, as to allow this would compromise the person's independence and objectivity. Therefore, for the purposes of this Policy, a person who has served in a professional capacity in the audit of the Group in the previous three years is considered not to be fit and proper for the purposes of assuming a Key Responsible Person or Company Secretary position.

<b>Issue Date:</b> <b>31 October 2024</b>	<b>Page 18</b>	<b>Version No:</b> <b>5.2/2024</b>
<b>Next Review Date:</b> <b>31 October 2026</b>		



Confirmation is required in the Fit and Proper Declaration that a proposed Key Responsible Person or Company Secretary (where applicable) has not been involved in the audit of the Group in the previous three years.

### **3.4 Disqualification**

A person does not meet the fit and proper requirements applying to the Group if the person is disqualified under the legislation relevant to the Group, in particular, section 59 of Financial Services Act 2013 and section 68 of Islamic Financial Services Act 2013.

A person is considered to be a Disqualified Person for the purposes of this Policy if the person has been disqualified under any legislation; or prohibited from being a Director under the Companies Act 2016 or overseas equivalent.

A Disqualified Person does not satisfy requirements in relation to propriety. A person will not be appointed or permitted to continue to act as a Key Responsible Person or the Company Secretary of the Group if he/she is or become a Disqualified Person.

If the Company Secretary no longer demonstrates the qualities specified in paragraph 3.2, the Board must take immediate steps to reduce the risks associated with the person continuing to hold the position and remove the person from such position as soon as practicable. The Group will inform Bank Negara Malaysia in writing of the removal of such person within seven days.

## **4. Appointing Key Responsible Persons and the Company Secretary**

### **4.1 Prerequisites to Recommendation for Appointment**

- (a) The analysis of the fitness and propriety of a person considered for appointment (including re-appointment and re-election in the case of director) to a Key Responsible Person or Company Secretary role (including obtaining Fit and Proper Declaration) is to be made by the following persons (or their delegate).

<b>In relation to</b>	<b>Assessment by</b>
Directors, members of Shariah Committee, Group CEO/CEO, Company Secretary and other MANCO Members	GNRC, assisted by Group HR
Group Chief Risk Officer and Group Chief Compliance Officer	GRMC, assisted by Group HR
Group Chief Internal Auditor	GAC, assisted by Group HR
Other Key Responsible Persons	Group CEO, assisted by Group HR

<b>Issue Date:</b> 31 October 2024	<b>Page 19</b>	<b>Version No:</b> 5.2/2024
<b>Next Review Date:</b> 31 October 2026		



- (b) An individual fitness and propriety analysis in respect of the proposed appointee must be prepared. This will be used in respect of each prospective appointee to match the skills available against the Group's operational requirements for the Key Responsible Person and the Company Secretary positions.
- (c) The proposed appointee must do each of the following :
  - (i) Complete and sign a satisfactory Fit and Proper Declaration.
  - (ii) Provide a resume and proofs of qualifications (where applicable) or other documentary evidence in support of their declaration of competence in the Fit and Proper Declaration.
  - (iii) Consent to the Group obtaining and using personal information for the purpose of assessing their fitness and propriety (which may be included in the Fit and Proper Declaration).
  - (iv) Consent to the proposed appointment, agree to comply with this Policy by completing and signing the consent to appointment form (which may be included in the Fit and Proper Declaration).
- (d) Any recommendation for appointment will be subject to the following :
  - (i) Receipt of satisfactory documentary evidence of the proposed appointee's competence to discharge the responsibilities of the position.
  - (ii) The proposed appointee not being a Disqualified Person.
  - (iii) Satisfactory results of any other appropriate searches or external checks, including a bankruptcy search.

Note: The requirement for these checks is at the time of appointment and during the annual reassessment of fitness and propriety.

#### **4.2 Assessment Before Appointment**

An individual must be assessed as a fit and proper person before appointment as a Key Responsible Person or Company Secretary. However, the person may be appointed before the assessment if any of the following apply:

- (a) In all cases, the individual holds the position of Director because of a resolution of the members of the respective entities with the Group.
- (b) Bank Negara Malaysia has determined the individual is a Key Responsible Person or Company Secretary following their appointment.

<b>Issue Date:</b> 31 October 2024	<b>Page 20</b>	<b>Version No:</b> 5.2/2024
<b>Next Review Date:</b> 31 October 2026		



In these cases, an assessment must be carried out within 28 days of appointment. The person must provide the declarations and consents required by this Policy, adapted to reflect that the person holds a Key Responsible Person or Company Secretary position rather than being an applicant for a position.

#### **4.3 Appointment and Approval Process**

Final approval for the appointment or re-appointment of a Key Responsible Person or Company Secretary is the responsibility of the following persons:

<b>In relation to</b>	<b>Appointment Approval</b>
Directors, members of Shariah Committee, Group CEO/CEO, Company Secretary	Board as a whole
Group Chief Internal Auditor	GAC
Group Chief Risk Officer and Group Chief Compliance Officer	GRMC
Other MANCO Members	GNRC
Other Key Responsible Persons	Group CEO

Any appointment approved by GRMC, GAC, or Group CEO shall be reported to the GNRC at its next meeting.

Where the GNRC, GRMC, GAC, or Group CEO has assessed that a person:

- (i) is not fit and proper for a position; the Board shall not appoint the person to the said position; and
- (ii) is no longer fit and proper for a position, the Board shall take reasonable steps to remove the person from such position as soon as practicable and in the interim, institute necessary measures to mitigate risks associated with the person continuing to hold the position. Under these circumstances, the Board shall notify the Bank Negara Malaysia immediately of such a fact.

#### **4.4 Documentation on Nomination or Appointment**

Any candidate for election/appointment as a Director of the Group will be provided with a copy of this Policy, as applicable, as soon as possible after their nomination.

<b>Issue Date:</b> 31 October 2024	<b>Page 21</b>	<b>Version No:</b> 5.2/2024
<b>Next Review Date:</b> 31 October 2026		



A person determined to be a Key Responsible Person or the Company Secretary by Bank Negara Malaysia will be provided with a copy of the relevant documents as soon as possible after the determination is made.

All other prospective Key Responsible Persons will be provided with a copy of the relevant documents before being appointed (and before they are assessed for fitness and propriety).

## **5. Continuing Requirements – Key Responsible Persons and the Company Secretary**

### **5.1 Requirement to continue to satisfy the standard for fitness and propriety**

All Key Responsible Persons and the Company Secretary are required to satisfy the required standard for fitness and propriety on a continuing basis including compliance with internal policies and procedures and to attend at least one appropriate training a year.

A Key Responsible Person and the Company Secretary must immediately notify the Board Chairman or Group CEO, where appropriate, if any of the following occurs:

- (a) He or she becomes a Disqualified Person.
- (b) There is a change in circumstances that affects or may affect his or her ability to meet the fitness and propriety standard.
- (c) There is a change in circumstances affecting the Key Responsible Person or the Company Secretary that will have or may have an impact on the Group's prudential status.

If the Key Responsible Person is the Board Chairman, he or she must notify the Board of Directors.

Each Key Responsible Person and the Company Secretary must reaffirm annually by written declaration, in the required form, that the information given in their initial declaration has not changed. Each declaration is to be delivered to the Group Company Secretary or Group HR or Shariah Secretariat (where applicable), and provided to the persons responsible for making fit and proper assessments.

### **5.2 Documentation Updates**

Key Responsible Persons and the Company Secretary will be informed of and provided with copies of any amendments, updates or additions which may be made to this Policy (as and when they are made).

### **5.3 Reassessment of Fitness and Propriety**

A Key Responsible Person's or the Company Secretary's fitness and propriety will be re-assessed in the following cases (by the person set out in clause 4.1(a)):

- (a) Annually (or as close to annual as practicable).
- (b) Whenever the Key Responsible Person's or the Company Secretary's role and responsibilities are materially affected.

<b>Issue Date:</b> 31 October 2024	<b>Page 22</b>	<b>Version No:</b> 5.2/2024
<b>Next Review Date:</b> 31 October 2026		



- (c) Whenever the Group becomes aware of information that may materially compromise a person's fitness and propriety.

Examples by material changes in the following:

- (i) Structure and organization of the Group.
- (ii) Business activities of the Group.
- (iii) External environment in which the Group operates.

A new individual fitness and propriety analysis and Fit and Proper Declaration in the required form must be provided.

Note: The requirement for the checks in 4.1(d) is at the time of appointment and during the annual reassessment of fitness and propriety.

#### **5.4 Action if a Key Responsible Person or the Company Secretary does not continue to satisfy the standard for fitness and propriety**

If the Group considers, or has reason to suspect, that a Key Responsible Person or the Company Secretary does not continue to satisfy the required standard of fitness and propriety, the Group must consider what action may be necessary in relation to that Key Responsible Person or the Company Secretary, in the particular circumstances.

In the case of an employee, possible action will include, obtaining further information, taking necessary legal advice, counseling the person, further training of the person, recommending that there will be a change to the nature of work carried out by the person if he or she is to continue to be an employee and removal (or procuring removal) from office.

A person who will not be appointed to, or who is to cease to hold, a Key Responsible Person or the Company Secretary position on the grounds that he/she is a Disqualified Person, will be informed of that fact.

## **6. Privacy and Confidentiality**

It will be necessary for the Group to obtain personal information, which may include sensitive information in order to decide whether a person satisfies fit and proper requirements under this Policy.

Information collected under this Policy will be used only for the purpose of compliance with this Policy.

A proposed appointee to a Key Responsible Person or Company Secretary position must provide a consent to the collection and use of personal information under this Policy in the required form (which may be included in the Fit and Proper Declaration).

<b>Issue Date:</b> <b>31 October 2024</b>	<b>Page 23</b>	<b>Version No:</b> <b>5.2/2024</b>
<b>Next Review Date:</b> <b>31 October 2026</b>		



Any person within the Group may provide or disclose information to the Board or the GNRC, GRMC, GAC or Group CEO that may be relevant for a fit and proper assessment.

No person making such disclosures in good faith shall be subject to, or threatened with, any discriminatory actions by the Group from providing such information.

## **7. Documents Retained with this Policy**

The Group Company Secretary or Head of Group HR or Head of Shariah Secretariat, will retain all documents relevant or created for the purpose of this Policy for a minimum period of 7 years from the date a person ceased to be a Key Responsible Person or the Company Secretary.

Examples:

- The list of Key Responsible Persons.
- The skills analysis for the Board.
- Individual fitness and propriety analysis.
- Fit and Proper Declarations.
- Records of searches conducted, and information obtained to verify Fit and Proper Declarations.
- Records of action taken if there are concerns that a person is not fit and proper.
- Any decision by BNM that a person is a Key Responsible Person.

7.1 The list of Key Responsible Persons shall be reviewed by the GNRC annually.

7.2. Where BNM determines that a person fulfils the definition of Senior Officers but has not been identified by the Group as a Key Responsible Person, the Group shall include the said person in the list of Key Responsible Persons.

7.3. The Group shall provide all relevant information, as may be required by BNM, including the list of Senior Officers within the Group and the records relating to the fit and proper assessment for each person who is subject to the requirements in this Policy.

<b>Issue Date:</b> 31 October 2024	<b>Page 24</b>	<b>Version No:</b> 5.2/2024
<b>Next Review Date:</b> 31 October 2026		



**SECTION C : FIT AND PROPER DECLARATION****FIT AND PROPER DECLARATION BY KEY RESPONSIBLE PERSONS OR COMPANY SECRETARY**

To : ..... (*name of Company*)

I, ..... NRIC No./ Passport No.....of  
..... hereby declare as follows :

I hereby \*consent to my proposed appointment as a ..... (*position*) of  
..... (*name of Company*) and / agree to comply with the Group's Policy on  
Fit and Proper.

\*I believe that I have the appropriate knowledge, skills and experience to be  
..... (*position*) of ..... (*name of Company*)

\*I believe that I have the appropriate knowledge, skills and experience to be a Director of  
..... (*name of Company*), including a general knowledge of :

- the role and responsibilities of a Director;
- the Group, its business and its regulatory environment;
- financial reporting; and
- risk management practices.

*Note : \* Delete whichever is not applicable.*

I understand that as a ..... (*position*) of .....  
(*name of Company*), I must act with honesty and integrity and I have not :

- (i) 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;
- (ii) been convicted of any offence involving bribery, fraud, dishonesty, mismanagement of a corporation, violence; or the conviction of which involved a finding that I have acted fraudulently or dishonestly, whether within or outside Malaysia;
- (iii) been issued with any compound or faced any administrative action by a regulator or law enforcement agency for any offence involving bribery, fraud, dishonesty, mismanagement of a corporation or violence;
- (iv) have any civil enforcement action initiated against me in any court of law by a regulator or law enforcement agency, whether within or outside Malaysia.
- (v) contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;

<b>Issue Date:</b> <b>31 October 2024</b>	<b>Page 25</b>	<b>Version No:</b> <b>5.2/2024</b>
<b>Next Review Date:</b> <b>31 October 2026</b>		



- (vi) contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies; or any business in which I have a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;
- (vii) 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;
- (viii) 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;
- (ix) been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorization, membership or a license to conduct any trade, business or profession, or has had that registration, authorization, membership or license revoked, withdrawn or terminated;
- (x) 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;
- (xi) 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 financial institution, the license of which has been revoked;
- (xii) acted unfairly or dishonestly, in the past, in my dealings with my customers, employer, auditors and regulatory authorities or other third parties;
- (xiii) at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations;
- (xiv) contributed significantly to the failure of an organization or a business unit;
- (xv) at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices;
- (xvi) involved in 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 aforesaid capacity which would be disadvantageous to the Group's interest; and
- (xvii) been appointed or elected for office as a Director or officer of another organisation without the Company's prior approval, if applicable.

I believe that I have

- (a) the appropriate qualification, training, skills, practical experience and commitment to effectively fulfill the role and responsibilities of the aforesaid position and in the case of Director, having regard to my other commitments that may give rise to competing time commitments and impairing my ability to discharge my role as director effectively;
- (b) satisfactory past performance or expertise in the nature of the business being conducted;
- (c) been and will be able to fulfill my financial obligations, whether in Malaysia or elsewhere, as and when they fall due;

<b>Issue Date:</b> <b>31 October 2024</b>	<b>Page 26</b>	<b>Version No:</b> <b>5.2/2024</b>
<b>Next Review Date:</b> <b>31 October 2026</b>		



- (d) not been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere;
- (e) not been involved in the audit of the Group in the previous three years;
- (f) not been disqualified under Section 59(1) of Financial Services Act 2013 or Section 68(1) of Islamic Financial Services Act 2013 or any legislation; or prohibited from being an officer under the Companies Act 2016 or overseas equivalent;
- (g) been and will be able to adhere to the Group's Whistle Blower Policy; and
- (h) been and will be able to adhere to the Group's Anti-Bribery & Corruption Policy and Procedures and the Gifts & Entertainment Policy.
- (i) been able to understand financial statements and form a view on the information presented.  
(Applicable for Directors only)

I confirm that I am not a member of any national or state legislative body, or who is an office bearer of, or holds any similar office or position in a political party. In the event that I am appointed/elected to any of these positions, I shall notify the Bank immediately and resign myself from the Bank.

I declare that I understand the Group's internal policies on Fit and Proper requirements and my obligation to continue to meet the fit and proper criteria set by the Company on an on-going basis.

I further declare that there are no actual or potential conflicts of interest that are likely to influence my ability to carry out my role and functions with appropriate probity and competence.

I hereby give my consent for the Group to use my personal information obtained for the purpose of assessing my fitness and propriety. The information provided herein is true and correct to the best of my knowledge and belief.

Declared by :

Witnessed by :

.....  
Name :

.....  
Name :

Date :

Date :

**Issue Date:**

**31 October 2024**

**Next Review Date:**

**31 October 2026**

**Version No:**

**5.2/2024**