

CME GROUP BERHAD

Fit And Proper Policy

1) INTRODUCTION

The Fit and Proper Policy (“**Policy**”) of CME Group Berhad (“**CME**”) and its subsidiaries (“**Group**”) sets out the Group’s approach to the assessment on any person identified to be appointed as a Director or to continue holding the position as Director to ensure they have the required character, experience, integrity, competence and commitment of time to effectively discharge their duties and responsibilities in tandem with good corporate governance practice.

The Policy applies to existing Board Of directors (the “**Board**”) of the Group seeking for re-appointment or candidates for nomination or appointment as Directors of the Group

2) DUTIES AND RESPONSIBILITIES

i) The Board

For the purpose of this Policy, the Board is responsible for ensuring that all existing Directors of the Group seeking for re-appointment or candidates for nomination or appointment as a Director of the Group fulfil the fit and proper criteria and requirements and conduct assessment for fitness and propriety of Directors of the Group. The Board, in conducting the above fit and proper assessment, shall be guided by the Policy and ultimately, the Board will make all final determination on their fitness and propriety.

ii) Nominating Committee (NC)

The Board delegates the duty to perform fit and proper assessment on existing Directors of Group seeking for re-appointment or candidates for nomination or appointment as a Director of the Group to the NC based on the CME’s fit and proper criteria and make recommendations to the Board on these matters for its review and decision.

3) FIT AND PROPER CRITERIA

For the purpose of assessing whether a person is fit and proper to act as a Director, the Board and NC shall consider the following criteria:

- (a) Character and Integrity;
- (b) Experience and Competence; and
- (c) Time and Commitment.

The assessment to the above criteria shall have regard to the considerations set out below in paragraph 3.1 to 3.3 of this Policy.

3.1 Character and Integrity

In assessing a person's character and level of integrity to hold the position as Directors in the Group, the NRC and the Board should consider matters including, but not limited to the following:

Probity

(a) that the person is compliant with legal obligations, regulatory requirements and professional standards; and

(b) that the person has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court

Personal Integrity

(a) that the person has not participated in any business which are deceitful, oppressive, improper or which otherwise reflect discredit on his professional conduct; and

(b) that the person in the capacity of management or as a Director had not been terminated/dismissed in the past due to concerns on personal integrity.

Financial Integrity

(a) that the person is not an undischarged bankrupt or has been the subject of any proceedings by a court of law for debt owned by him/her; and

(b) that the person demonstrates the ability to fulfil his/her personal financial obligation as and when they fall due.

Reputation

(a) that the person is of good repute in the financial and business community; and

(b) that the person has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.

3.2 Experience and Competence

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

Qualifications, training and skills

(a) that the person possesses the appropriate education qualification, training that is relevant to the skill set and the experience to effectively fulfil the role and responsibility as a Director of the Group;

(b) that the person has good management skill, understanding of corporate management and sustainability issue; and

(c) that the persons keep knowledge current based on continuous professional development.

Relevant experience and expertise

(a) that the person possesses relevant experience has satisfactory past business or operation performance or expertise in the same industry that he/she is expected to contribute to the functioning of the Board.

3.3 Time and Commitment

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

Ability to discharge role having regard to other commitments

(a) that the person is able to spend reasonable amount of 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 non-profit organisations.

Participation and contribution in the Board or track record

(a) that the person demonstrates willingness to participate actively in board activities and demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.

4) REVIEW AND APPROVAL OF THIS POLICY

This Policy was adopted by the Board on 30 September 2022.

This Policy will be reviewed by the Board as and when required and updated in accordance with the needs of the Group.