



DFCITY GROUP BERHAD

DIRECTORS' FIT AND PROPER POLICY

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1. INTRODUCTION

- I. The Board of Directors (“**Board**”) of DFCITY Group Berhad (“**DFCITY**” or “**the Company**”)’s primary responsibility is to manage and govern the Company, and fiduciary responsibility for the overall financial and organizational health of the Company to ensuring the long-term success of the Group (Board Charter - Clause 2.2).
- II. To achieve this, the Board has established this “Fit and Proper Policy” (“**policy**”) for the Board members.
- III. The Nomination Committee (“**NC**”) is responsible in the application of this Policy and for conducting the fit and proper assessments. Outcome of the assessment will be recommended to the Board for final review and decision.
- IV. The policy serves as a Company’s guide to assess the fitness and propriety of individuals who hold, or who are to be appointed or re-appointed to the Board.

2. FIT AND PROPER CRITERIA

A person who sits in the Board is to be fit and proper. Criteria of fit and proper includes but not limited to the following: -

2.1. Character and Integrity

In evaluating a person’s qualities such as virtue, integrity, and principles of a Director, matters including but not limited to the following should be considered.

2.1.1 Probity

- i. Is compliant with legal obligations, regulatory requirements and professional standards;

- ii. Has not been a subject of any adverse findings including being obstructive, misleading or untruthful in dealings with auditors, regulatory authorities or a court; and
- iii. Is free from 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 Director which would be disadvantageous to the Company or its interests.

2.1.2 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 a Management or Director) has not been terminated in the past due to concerns on personal integrity;
- iii. Has not contravene any requirements imposed by authorities or bodies, whether in Malaysia or elsewhere or failed to uphold any professional or ethical standards issued or has abetted another person to breach such requirements, professional or ethical standards; and
- iv. Whether, in the past, the person has acted unfairly or dishonestly in his dealings with his customers, employer, auditors and regulatory authorities.

2.1.3 Financial Integrity

- i. Manages personal debts or financial affairs satisfactorily;
- ii. Demonstrate strong ability to fulfil personal financial obligations as and when they fall due; and
- iii. Has not filed for bankruptcy or been declared a bankrupt.

2.1.4 Reputation

- i. Is of good reputation in the financial and business community;

- ii. Has not been convicted of criminal charges or enforcement action, in managing or governing an entity, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;
- 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.

2.2. Experience and Competence

In order to carry out his role and responsibilities, it is important that he demonstrate the experience and competence, as well as capabilities that is required. Matters including, but not limited to the following should be considered:

2.2.1 Qualifications, training and skills

- i. Possesses education qualification, experience and expertise that is relevant to effectively fulfill the role and responsibilities of their respective positions;
- ii. Has a considerable understanding on the business and 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; and
- v. Possesses leadership capabilities and a high level of emotional intelligence.

2.2.2 Relevant experience and expertise

- i. Possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business; and
- ii. 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.

2.3. Time and Commitment

2.3.1 Ability to discharge role having regard to other commitments

- i. 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 non-profit organizations).

2.3.2 Participation and contribution in the Board

- i. Willing to participate actively in board activities;
- ii. Willing to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- iii. Manifest passion in the vocation of a Director;
- iv. Able to articulate views independently, objectively, and constructively; and
- v. Demonstrates open mindedness to the views of others and ability to make considered judgement after hearing to the views of others.

3. Review and amendments

The NC will review this Policy as and when required, 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.