

DIRECTORS' FIT AND PROPER POLICY



DAYANG ENTERPRISE HOLDINGS BHD

Registration No. 200501030106 (712243-U)

Adopted by the Board of Directors on 30 June 2022

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1. PURPOSE

- 1.1 This Policy is to guide the Joint and Remuneration Nomination Committee (“JRNC”) and the Board in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking re-election/re-appointment.
- 1.2 This policy is to ensure that Directors must possess the character, experience, integrity, competence and time commitment to effectively discharge his/her roles and responsibilities in the best interest of the Company and its stakeholders.
- 1.3 This Policy sets out the fit and proper criteria for the appointment and re-appointment of Directors on the Boards of Dayang Enterprise Holding Bhd and its subsidiaries.

2. CRITERIA

- 2.1 The fit and proper criteria of a Director include but are not limited to the following:

2.1.1 Character and Integrity

(i) **Probity**

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

(ii) **Personal integrity**

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

(iii) **Financial integrity**

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

(iv) Reputation

- is of good repute in the financial and business community;
- has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years; and
- has not been substantially involved in the management of a business or company which has failed, where the failure has been occasioned in part by deficiencies in that management.

2.1.2 Experience and Competence

(i) Qualifications, Training and Skills

- possesses education qualification that is relevant to the skill set that the Director is earmarked to bring or to bear onto the boardroom (i.e. a match to the Board skill set matrix);
- has a considerable understanding of the business and workings of a corporation;
- possesses general management skills as well as an understanding of corporate governance, and appreciation of sustainability issues;
- keeps knowledge current based on continuous professional development; and
- possesses leadership capabilities and a high level of emotional intelligence.

(ii) Relevant Experience and Expertise

- 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.

(iii) Relevant Past Performance or Track Record

- 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
- possesses a commendable past performance record as gathered from the results of the Board Effectiveness Evaluation.

2.1.3 Time and Commitment

(i) Ability to discharge his/her role having regard to other commitments

- 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 organisations).

(ii) Participation and Contribution in the Board or Track Record

- demonstrates the willingness to participate actively in Board activities;
- demonstrates the willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the Boardroom;
- manifests passion in the vocation of a Director;
- exhibits the ability to articulate views independently, objectively and constructively; and
- Exhibits open-mindedness to the views of others and the ability to make considered judgments after hearing the views of others.

3. THE ASSESSMENT

3.1 The JRNC shall assess each person for a new appointment or re-appointment/re-election of Directors based on the criteria set under item 2.1 before recommending to the Board for approval. The Board Evaluation Form is set out in **Annexure 1**.

3.2 For the appointment of a new Director, the person is required to complete the Prospective Directors Information as set out in **Annexure 2**.

3.3 The result of the assessments is part of the Company's internal documents and shall not be disclosed or provided to any other party.

4. REVIEW OF THE POLICY

4.1 The JRNC shall review this Policy on a regular basis to ensure its effectiveness. Any requirement for amendment shall be deliberated by the JRNC and any recommendation for revisions shall be proposed to the Board for approval.