



DELEUM

FIT AND PROPER POLICY

Effective Date : 1 July 2022

FIT AND PROPER POLICY

1. OBJECTIVE

- 1.1. The objective of this fit and proper policy (“Fit and Proper Policy”) is to guide the Joint Remuneration and Nomination Committee (“JRNC”) and the Board of Directors (“Board”) in their review and assessment of potential candidates that are proposed for appointment as director of Deleum Berhad (“the Company”) and its subsidiaries as well as directors who are seeking for re-election. The criteria for selection of such candidates are set out herein.
- 1.2. The JRNC is responsible to assess the candidates as per the Fit and Proper Policy and make the relevant recommendation to the Board on the proposal regarding appointment and re-election of directors.
- 1.3. The Board is to approve such proposal and where relevant, make a recommendation to the shareholders of the Company for approval at an annual general meeting.
- 1.4. This Fit and Proper Policy takes effect from 1 July 2022 and will continue to be in force unless varied or revoked by the Board of the Company.

2. FIT AND PROPER CRITERIA

- 2.1 Any person to be appointed or re-elected as a director of the Company or its subsidiaries must not be disqualified and has been assessed to have met the fit and proper criteria based on, at minimum, the following:

- (a) character and integrity;
- (b) experience and competence; and
- (c) time and commitment.

2.1.1 Character and Integrity

(i) Probity

- (a) is compliant with legal obligations, regulatory requirements and professional standards, where applicable.
- (b) has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.
- (c) has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect to the person’s honesty, integrity or business conduct.

(ii) Personal integrity

- (a) 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.
- (b) service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity.
- (c) has not abused other positions held in a manner that contravenes the principles of good governance and professional ethics.

(iii) Financial integrity

- (a) manages personal debts or financial affairs satisfactorily.
- (b) demonstrates ability to fulfil personal financial obligations as and when they fall due.

(iv) Reputation

- (a) is of good repute in the financial and business community.
- (b) has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.
- (c) 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.

2.1.2 Experience and Competence

(i) Qualifications, training and skills

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

(ii) Relevant experience and expertise

- (a) possesses relevant experience and expertise with due consideration given to 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

- (a) 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.
- (b) possesses commendable past performance record as gathered from the results of the board effectiveness evaluation (applicable for re-election and re-appointment of directors).

2.1.3 Time and Commitment

(i) Ability to discharge role having regard to other commitments

- (a) 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 not-for-profit organisations).

(ii) Participation and contribution in the board or track record

- (a) demonstrates willingness to participate actively in board activities.
- (b) demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.
- (c) manifests passion in the vocation of a director.
- (d) exhibits ability to articulate views independently, objectively and constructively.
- (e) exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

3. ASSESSMENT

- 3.1 The JRNC will assess each person for a new appointment or re-election of directors based on the criteria set under item 2.1 above before recommending to the Board for approval.

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- 3.2 The assessment may also be conducted whenever the Company and/or its subsidiaries become aware of information that may materially compromise a director's fitness and propriety.
- 3.3 A person who has been identified for appointment as a director or for re-election as a director shall be required to make the fit and proper declaration based on the Director's Declaration of Fit and Proper Form or in such other forms as the JRNC may from time to time prescribe or approve.

4. REVIEW OF THE FIT AND PROPER POLICY

The JRNC shall review this Fit and Proper Policy and make the appropriate recommendation to the Board for its approval on any proposed amendments as and when it deems appropriate.

The Fit and Proper Policy is made available for reference in the Company's website at www.deleum.com.