

1. INTRODUCTION

- 1.1 The Board of Directors Damansara REIT Managers Sdn Berhad (DRMSB/ the Company) provides strategic leadership and ensures that good corporate governance culture in managing the Al-Aqar Healthcare REIT and Al Salam REIT
- 1.2 As such, all Directors of the Company must have the necessary qualities, competencies, experience and time that will allow them to perform the duties and carry out the responsibilities required of the position in the most effective manner.
- 1.3 The Fit and Proper Policy (“Policy”) must be read in conjunction with the Board Charter and serves as a guide to the Board Nomination and Remuneration Committee (“BNRC”) and Board of the Company in their assessments of the following:
 - a) Existing Directors of the Company seeking for re-election/re-appointment or whenever the Company becomes aware of information that may materially compromise a person’s fitness and propriety; and
 - b) Candidates identified to be elected or appointed as Directors of the Company
 - c) Shariah Adviser(s)
 - d) CEO/ Principal Officer
 - e) CMSRL holders

2. RESPONSIBILITY

- 2.1 The Board and BNRC are primarily responsible for ensuring that all Directors of the Company fulfil fit and proper requirements and for conducting assessments of the fitness and propriety of the Directors.
- 2.2 The Board is committed to ensuring that the Directors have the appropriate skill and experience commensurate with the role that they hold, and will make all final determinations on the fitness and propriety of the Directors.

3. **FIT AND PROPER CRITERIA**

A Director of the Company or any person to be appointed as a Director of the Company, a Shariah Adviser(s) or a CMSRL holder must not be disqualified to act under Sections 198 or 199 of the Companies Act 2016 (“the Act”), and/ or the SC Licensing requirements and Guidelines for Listed REITS (where applicable) and have been assessed to have met all the fit and proper criteria based on, at minimum, relating to the following:

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

a) **Character and Integrity**

Probity

- Is compliant with legal obligations, regulatory requirements and professional standards.
- Has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
- 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.

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/her 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.
- 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.

Financial Integrity

- Manages personal debts or financial affairs satisfactorily.
- Demonstrates ability to fulfil personal financial obligations as and when they fall due, either in Malaysia or elsewhere.

Reputation

- Is of good repute in the financial and/or 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, either in Malaysia or elsewhere.
- 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.

b) Experience and Competence & Capability

Qualifications, training and skills

- Possesses education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the boardroom (i.e. a match to the Board's skill set matrix).
- Has a considerable understanding on the workings of a corporation.
- Possesses general management skills as well as **financially literate**.
- **possesses general management skills as well as an understanding of corporate governance and best practices as well as sustainability matters, including material matters on environmental, social and governance (“ESG”).**
- Keeps knowledge current based on continuous professional development.
- Possesses management and leadership capabilities and a high level of emotional intelligence.
- Undergoes training and development to comply with the CPE requirement set by Bursa Malaysia and the SC*

Relevant Experience and Expertise

- 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.

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

** as guided by the latest version of the Main Market Listing Requirements, Guidelines On Compliance with The Continuing Professional Education Requirement and Guidelines for Shariah Advisers*

c) Time and commitment

Ability to Discharge Role Having Regard to Other Commitments

- Able to devote sufficient time as a Board member, having factored other external obligations including concurrent board positions held by the Director across listed companies and/or non-listed companies (including not-for-profit organisations).

Participation and Contribution to the Board

- Demonstrates willingness to participate actively in Board activities.
- Demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events of the Company
- Manifests passion in the vocation of a Director.

d) Others

Independence (applicable to the appointment and re-appointment of Independent Director) The candidate/Director meets the criteria of an Independent Director as defined under paragraph 1.01 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.

The Main Market Listing Requirement (MMLR) relating to Enhanced Directors Amendments dated 19 January 2022 which requires the promotion of greater diversity and inclusivity in Board Composition. MMLR mandates that a listed issuer have at least 1 women director on its Board by 1 June 2023. The Board undertakes to ensure that the above requirement is fulfilled by the said date.

4. EVALUATION OF A CANDIDATE FOR DIRECTORSHIP OR RE-APPOINTMENT OF DIRECTOR

- 4.1 The fit and proper evaluation of each Director shall be conducted by the Company both prior to initial appointments and on annual basis or whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.**
- 4.2 The criteria shall be evaluated individually, as well as collectively, taking into account the diversity of the Board's qualifications, experience, skills, gender, and age.**
- 4.3 Failure to meet one of the criteria does not necessarily equate to the failure to meet the fit and proper criteria as a whole. The Company will consider the specific circumstances surrounding a candidate's failure to meet the fit and proper criteria, which could be the lapse of time since the occurrence of the event, the significance or the extent of proof of the matter.**

5. REVIEW OF THE POLICY

The NRC shall recommend any change to the Policy as the BNRC deems appropriate to the Board for approval. The Policy shall be assessed, reviewed, and updated where necessary to align to best practices and regulatory changes.