



RCE Capital Berhad

Registration No. 195301000151 (2444-M)

DIRECTORS' FIT AND PROPER POLICY

1. OBJECTIVE

- 1.1 The objective of this Directors' Fit and Proper Policy ("Policy") is to guide the Nomination & Remuneration Committee ("NRC") and the Board of Directors ("Board") in their review and assessment of potential candidates for appointment as Directors and existing Directors who are seeking re-appointment/re-election in RCE Capital Berhad ("RCE" or "the Company"). The fit and proper assessment on a Director may also be undertaken whenever the Company becomes aware of information that may materially compromise such Directors' fitness and propriety.
- 1.2 This is to ensure that Directors possess the necessary character, integrity, qualities, competencies, relevant range of skills, knowledge and experience, and time commitment to perform their duties and carry out the responsibilities required of the position in the most effective manner, and in the best interest of RCE Group and its stakeholders.
- 1.3 This Policy also applies to the appointment and re-appointment/re-election of RCE appointed Directors to the boards of its subsidiaries and joint ventures.

2. FIT AND PROPER CRITERIA

- 2.1 A Director, or any person to be appointed as a Director of RCE Group, must not be disqualified to act under the Companies Act 2016 and/or Listing Requirements of Bursa Malaysia Securities Berhad. In assessing a candidate's fitness and propriety, the NRC and the Board shall consider factors based on the following overarching criteria:
 - (a) character and integrity;
 - (b) experience and competence; and
 - (c) time and commitment.
- 2.2 The NRC and the Board shall determine the specific factors for consideration in a fit and proper assessment, having regard to the circumstances and requirements relevant to RCE Group. Amongst the factors that may be taken into consideration are as outlined below:
 - 2.2.1 **Character and Integrity**
 - (a) **Probity**
 - (i) He is compliant with the legal obligations, regulatory requirements and professional standards.
 - (ii) He has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

(b) **Personal integrity**

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

(c) **Financial integrity**

- (i) He demonstrates prudent management of personal financial affairs including managing debts satisfactorily.
- (ii) He demonstrates the ability to fulfil personal financial obligations as and when they fall due.

(d) **Reputation**

- (i) He is of good repute in the financial and business community.
- (ii) He is not the subject of any on-going civil or criminal proceedings or enforcement actions in managing or governing an entity.
- (iii) He 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.

2.2.2 **Experience and competence**

(a) **Qualifications, training and skills**

- (i) He 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 skill set matrix).
- (ii) He has a considerable understanding on the workings of a corporation.
- (iii) He possesses general management skills as well as understanding of corporate governance and sustainability issues.
- (iv) He keeps knowledge current based on continuous professional development.
- (v) He possesses leadership capabilities and a high level of emotional intelligence.

(b) **Relevant experience and expertise**

- (i) He 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.

(c) **Relevant past performance or track record**

- (i) He had a career of occupying a leadership or high level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations.
- (ii) He possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

2.2.3 **Time and commitment**

(a) **Ability to discharge role having regard to other commitments**

- (i) He is able to devote time as a director, having factored other outside obligations including concurrent management and/or board positions held by him across listed issuers and non-listed entities (including not-for-profit organisations).

(b) **Participation and contribution in the board or track record** (*applicable for re-appointment/re-election of existing Directors only*)

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

3. ASSESSMENT OF FITNESS AND PROPRIETY OF DIRECTORS

- 3.1 The NRC will assess each candidate identified for a new appointment as Director of the Company as well as Directors of the Company standing for re-appointment/re-election based on the criteria set out in Section 2 above before recommending to the Board for approval. In addition, for re-appointment/re-election of Directors of the Company, the Directors will also be assessed through the annual board effectiveness evaluation.
- 3.2 The respective boards of subsidiary-level and joint venture ("entities boards") shall be directly responsible for conducting assessments on the fitness and propriety of persons seeking appointment or re-election as Directors of the entities boards and making decisions on their appointments.
- 3.3 The fit and proper assessments may also be conducted on the Directors whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.

- 3.4 The fit and proper criteria shall be assessed individually, as well as collectively, taking into account their relative importance. Failure to meet one factor on its own does not necessarily mean failure to meet the fit and proper criteria. The NRC and the Board shall consider the specific circumstances surrounding a Director's failure to meet specific factors.
- 3.5 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

4. REVIEW OF THE POLICY

This Policy will be periodically reviewed to ensure its relevance and alignment with the needs of RCE Group.