



DATASONIC GROUP BERHAD
(Registration No. 200801008472 (809759-X))
(Incorporated in Malaysia)

DIRECTORS' FIT AND PROPER POLICY

As at 31 May 2022



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1. OBJECTIVE

- 1.1 This Directors' Fit and Proper policy ("Policy") set out the fit and proper criteria for the appointment, election and re-election of Directors of the Company and its subsidiaries (the "Group") and to ensure that only individuals of high caliber and who possess the right character, experience, expertise, integrity, track record and qualifications are appointed on the Board of Directors (the "Board") of the Group.
- 1.2 The Policy serve as a guide to the Nomination and Remuneration Committee ("NRC") and the Board in their review and assessment of candidates who are to be appointed onto the Board as well as Directors who are seeking for election or re-election in the Group.

2. FIT AND PROPER CRITERIA

In assessing a candidate's fitness and propriety, the Board through NRC, shall consider the factors which include but not limited to the following:-

a) Character and Integrity

- i) Probity
 - 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 (that he has held) 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 ten (10) years; and
 - 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

- i) Qualifications, training and skills
 - Possesses education qualification that is relevant to the skill set that such 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 on the business and workings of a corporation;
 - Possesses general management skills as well as understanding of corporate governance and 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 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/relevant organisation, and was accountable for driving or leading the organisation's governance, business performance or operations; and
 - Possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

c) Time and commitment

- i) Ability to discharge role having regard to other commitments
 - 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
 - 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 outside the boardroom;
 - Manifests passion in the vocation of a director;
 - Exhibits ability to articulate views independently, objectively and constructively; and
 - 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 NRC will assess the candidate who has been identified for appointment or for re-election as a Director based on the criteria set out in item no. 2 above before recommending to the Board for approval.
- 3.2 For appointment of new director, the candidate who has been identified is required to make the fit and proper declaration.
- 3.3 For re-election, the Director will be evaluated based on the Board Evaluation Form.
- 3.4 The information gathered from the assessments shall be for the NRC's strict use for the purpose of the assessment and shall not be disclosed/provided to any other party.

4. REVIEW OF POLICY

- 4.1 The Board through the NRC will periodically assess, reviewed and monitor the effectiveness of this Policy and will be updated in accordance with the needs of the Group and any new regulations that may have an impact on the discharge of the Board's responsibilities.