



# **SIME DARBY PROPERTY BERHAD**

**Registration No. 197301002148 (15631-P)**

## **FIT AND PROPER POLICY**

**( Updated as at 28 August 2023 )**

## 1. PURPOSE

- 1.1 The key objective of this policy (“Fit and Proper Policy”) is to set out the criteria for selection of candidates that are proposed to be appointed as directors of Sime Darby Property Berhad (“Company”) and its subsidiaries (collectively, “Sime Darby Property Group”) as well as directors who are seeking for re-election. The criteria are intended to guide the Management, Nomination and Remuneration Committee (“NRC”) and the Board of Directors (“Board”) in their review and assessment of such candidates in making their selection. Joint venture<sup>1</sup> and associate companies of Sime Darby Property Group are encouraged to adopt this Policy as applicable.
- 1.2 This Policy has been prepared to ensure compliance with the relevant provisions of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and the Malaysian Code on Corporate Governance (“MCCG”). Reference was also made to the guidance provided in Bursa Securities’ Corporate Governance Guide (4<sup>th</sup> Edition).

## 2. SCOPE

- 2.1 The Fit and Proper Policy applies to the appointment and re-election of directors of Sime Darby Property Group. It also acts as a guide for the selection of candidates as the Company’s nominee directors of Sime Darby Property on the boards of joint venture companies and associate companies.
- 2.2 The Fit and Proper Policy is to be read in conjunction with the Board Composition Policy.

## 3. FIT AND PROPER CRITERIA

- 3.1 Any person to be appointed or re-elected as a director of the Company or its subsidiaries or a nominee director of Sime Darby Property on the boards of joint venture companies and associate companies must not be disqualified<sup>2</sup> and has been assessed to have met all the fit and proper criteria based on, at minimum, the following:
- (a) character and integrity;
  - (b) experience and competence; and
  - (c) time and commitment.

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<sup>1</sup> Includes non-wholly owned subsidiaries.

<sup>2</sup> Pursuant to Section 198(1) of the Companies Act 2016 and Paragraph 15.05(1) of the MMLR.

### 3.1.1 Character and Integrity

(i) 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.

(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.
- 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.
- demonstrates ability to fulfil 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.
- 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.

### 3.1.2 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 to bear onto the boardroom (i.e. a match to the board skill set matrix and strategic priorities of the Company).
- has a considerable understanding on the 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.
- 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 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 (applicable for re-election and re-appointment of directors).

### 3.1.3 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.
- exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

**4. ASSESSMENT REVIEW AND APPROVAL REQUIREMENT FOR FIT AND PROPER**

- 4.1 The fit and proper assessment shall be based on the evaluation process, due diligence and any process of verification or declaration in the form or process as determined by the Company from time to time.
- 4.2 The fit and proper assessment on a Director of Sime Darby Property Group may also be conducted whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.
- 4.3 The NRC is responsible to assess the candidates as per Fit and Proper Policy and make the relevant recommendation to the Board on the proposal regarding appointment and re-election of directors on the Board of Sime Darby Property.
- 4.4 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.
- 4.5 Fit and proper assessment on employees of Sime Darby Property Group identified to be appointed as Director or to continue holding the position as a Director on the Board of the Company's subsidiaries, as well as joint venture and associate companies (as Sime Darby Property representative) shall be coordinated by the Group Company Secretary prior to the initial appointment or proposed re-election / re-appointment, albeit employees are already subject to assessment of fit and propriety in the course of their employment. Such appointments / re-elections shall be notified to NRC.

**5. PERIODIC REVIEW OF THE FIT AND PROPER POLICY AND REPORTING REQUIREMENTS**

- 5.1 The NRC shall review this Policy once in two (2) years or upon changes to the relevant rules and regulations, whichever is earlier and make the appropriate recommendation to the Board on any proposed amendments to the Policy. Periodic review would also be made to ensure the relevance and alignment with the Group's needs and structure as well as material changes in the business and risk profile of Directors.