

**DANCOMECH HOLDINGS BERHAD**  
**REGISTRATION NO. 201301020455 (1050285-U)**

**DIRECTORS' FIT AND PROPER POLICY**

**A. PREAMBLE**

The Board of Directors (the "Board") of Dancomech Holdings Berhad ("DHB" or the "Company") has established and adopted the following Directors' Fit and Proper Policy ("this Policy") to provide guidance to the Nomination Committee ("NC") and the Board in reviewing and assessing candidates to be appointed and/or Directors seeking re-appointment/re-election to the Board of the Company and its subsidiaries.

**B. PRINCIPLES**

This Policy has been established on the basis of the following principles:

- (i) Character and integrity
- (ii) Experience and competence
- (iii) Time and commitment

**C. ASSESSMENT CRITERIA**

**Character and Integrity**

In assessing the character and integrity of a candidate/Director, the NC and the Board shall consider the following:

- (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

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- 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 ten (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

### **Experience and Competence**

In assessing the experience and competence of a candidate/Director, the NC and the Board shall consider the following:

- (i) Qualifications, training and skills
- possesses education qualification and/or work experience that is relevant to the skill set that the director is earmarked to bring to bear onto the boardroom
  - 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,

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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 or based on the past financial and non-financial performance of the corporation which the candidate/Director was involved in

### **Time and Commitment**

In assessing the time and commitment of a candidate/Director, the NC and the Board shall consider the following:

(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 view of others and ability to make considered judgment after hearing the views of others

## **D. PERIODIC REVIEW**

The NC and the Board will periodically review this Policy to ensure that it remains relevant and updated in compliance with the applicable laws.