



**CAPITALAND MALAYSIA REIT MANAGEMENT SDN. BHD.**  
**(fka CapitaLand Malaysia Mall REIT Management Sdn. Bhd.)**

**MANAGER OF CAPITALAND MALAYSIA TRUST**  
**(fka CapitaLand Malaysia Mall Trust)**

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**DIRECTORS' FIT AND PROPER POLICY**

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## **1.0 PURPOSE AND SCOPE**

- 1.1 The Directors' Fit and Proper Policy ("Policy") sets out the fit and proper criteria for the appointment and re-appointment of Directors on the Boards of CapitaLand Malaysia REIT Management Sdn. Bhd. ("CMRM" or the "Company") and its subsidiaries.
- 1.2 To ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his or her role as a Director of CMRM and its subsidiaries.
- 1.3 This Policy serves as a guide to the Nominating and Remuneration Committee ("NRC") and the Board in their review and assessment of candidates that are to be appointed onto the Board of CMRM and its subsidiaries as well as Directors who are seeking for election or re-election.
- 1.4 This Policy shall be applicable to all Directors of CMRM and its subsidiaries as well as Directors who are seeking for election or re-election.

## **2.0 CRITERIA**

- 2.1 The fit and proper criteria of a Director include but not limited to the following:

### 2.1.1. Character and Integrity

#### (a) 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 been the subject of any proceedings of a disciplinary or criminal nature or notified of any impending proceedings or of any investigations which might lead to such proceedings; other than proceedings relating to traffic offences to the extent that such traffic offences proceedings do not significantly impair his or her ability and judgement as a director.

#### (b) 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 to facilitate government relations for the company in a manner that contravenes the principles of good governance.
- has not been dismissed, asked to resign or has resigned from employment or form a position of trust, fiduciary appointment or similar position because of questions about his or her honesty and integrity.

(c) Financial Integrity

- manages personal debts or financial affairs satisfactorily.
- demonstrates ability to fulfil personal financial obligations as and when they fall due.
- has not been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.
- the fact that a person may be of limited financial means does not in itself affect the person's ability to satisfy the financial integrity criteria.

(d) 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.

2.1.2. Experience and Competence

(a) 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).
- 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.

(b) 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.
- ability to understand the technical requirements of the business, the inherent risks and the management process required to perform his or her role effectively.

(c) 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.

### 2.1.3. Time Commitment

- (a) 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).
  
- (b) 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.

### 2.1.4. Political Appointment

- (a) must not be an active politician whether within or outside Malaysia.
  
- (b) “active politician” means a person who is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party.

## **3.0 ASSESSMENT**

- 3.1 The NRC will assess and evaluate candidates for new appointment or re-appointment as Directors based on the fit and proper criteria as set out in paragraph 2.1 above before recommending to the Board for approval.
  
- 3.2 For re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Form.
  
- 3.3 For the appointment of new Director, the candidate is required to complete the Prospective Director Information.
  
- 3.4 For new appointments, candidates are required to declare that he or she is fit and proper to be the Director in accordance with the fit and proper requirements as imposed by the Securities Commission Malaysia under Section 65 of the Capital Markets and Services Act 2007 and authorise the Company to perform background checks (where necessary) and conduct searches with the Department of Insolvency.

#### **4.0 POLICY REVIEW**

- 4.1 The Policy shall be assessed, reviewed and updated where necessary to comply with all applicable laws and regulatory requirements or as may be necessary in accordance with the needs of CMRM and its subsidiaries.
  
- 4.2 The NRC shall recommend any change to the Policy as the NRC deems appropriate to the Board for approval.

## DOCUMENT HISTORY

<b>Date of Board Approval</b>	<b>Version Reference</b>	<b>Remarks</b>
23 June 2022	CMRM.NRC.FAP (v1)	Approved and adopted by the Board on 23 June 2022.