

DIGI.COM BERHAD (“CELCOM DIGI”) Fit and Proper Policy

DEFINITIONS

“Celcom Digi” or “Company”	:	Digi.Com Berhad
“Board”	:	Board of Directors of Celcom Digi
“BNRC”	:	Board Nomination and Remuneration Committee
“Group”	:	The Company and its subsidiaries
“Key Responsible Persons”	:	The existing directors or candidates for nomination or appointment or re-appointment or re-election as a director of the Group, as the case may be.
“Policy”	:	The Fit and Proper Policy of the Group

1. Purpose

- 1.1 This Policy aims to set out the criteria for the assessment of the fitness and propriety of Key Responsible Persons.
- 1.2 Individuals acting as “Key Responsible Persons” are required to possess the character, experience, integrity, competence and commitment of time to effectively discharge their respective roles which includes diligence, honesty, integrity and judgement to perform properly the duties of that position, in tandem with good corporate governance practices. Accordingly, the Group must prudently manage the risk to its business or financial standing that the Key Responsible Person positions are filled by fit and proper individuals.

2. Policy Statement

- 2.1 With a view of achieve sustainable development, the Group is committed to the highest standard of integrity, openness, and accountability in the conduct of its businesses and operations. This Policy is intended to address the governance of the quality and integrity of the Key Responsible Persons.
- 2.2 The BNRC shall disclose in the annual report on how the BNRC has applied the Policy whereby the Key Responsible Persons have met the criteria of assessment stated and the Policy shall be published on the Company’s website.

3. Responsibilities of the Board and the BNRC

The Board’s Commitment and Responsibility

In the application of this Policy, Board and BNRC are primarily responsible for ensuring that all Key Responsible Persons fulfil fit and proper requirements and shall conduct assessments on such Key Responsible Persons based on the criteria in the Policy. Ultimately, the Board will make the final determination on their fitness and propriety.

BNRC’s Responsibility

The BNRC is responsible for the following:-

- (a) The assessment of the Key Responsible Persons to ensure that appropriate fit and proper criteria are applied and making recommendations to the Board on these matters;
- (b) Providing information to the Board on matters concerning the criteria and procedure for fit and proper assessments including addressing any gaps in the assessment; and
- (c) Ensuring that the Group takes all reasonable steps to keep confidential the information and documents obtained and collected for fit and proper assessments

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so as to prevent any misuse, unauthorised access, modifications or unwarranted disclosure.

4. Fit and Proper Criteria

The BNRC shall periodically propose potential/new candidates to the Board and for the assessment of all Key Responsible Persons, the BNRC shall be using the principles underpinning the criteria listed below to assess their suitability prior to recommending to the Board for the appointment and/or reappointment as well as the fitness and propriety of the Key Responsible Persons.

The assessment shall have regard to the considerations set out below in paragraphs 4.1, 4.2 and 4.3 of this Policy.

4.1 Probity, personal integrity, reputation and financial integrity

Probity, personal integrity, reputation and financial integrity are values that can be demonstrated through personal qualities such as honesty, integrity, trustworthiness, diligence, independence of mind and fairness. These qualities are demonstrated over time and demand a disciplined and on-going commitment to high ethical standards.

In assessing a person’s level of probity, personal integrity reputation and financial integrity, we shall consider matters including but not limited to the following:-

- i. whether the person has complied with rules and regulations of a regulatory body, professional body, government or any agencies either in Malaysia or elsewhere and has not been the subject of any legal or disciplinary proceedings either civil or criminal in nature.
- ii. whether the person has at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards, including but not limited to compliance with tax requirements and obligations.
- iii. whether the person has been engaged in any business practices which are deceitful, oppressive, or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;
- iv. whether the person had been terminated, asked to resign or has resigned from the employment in the past due to personal integrity or has abused his power or other position (i.e. political appointment) for personal interest or to facilitate government relations for such company in the manner that contravenes the principles of good governance;
- v. whether the person has substantially involved in the business or company in a management which has failed, gone into receivership, insolvency or involuntary liquidation due to incompetence and deficiencies in that management;
- vi. whether the person is of good repute in the society, financial and business community and has not been the subject of civil or criminal proceedings or enforcement action in the past 10 years while managing or governing an entity either in Malaysia or elsewhere; and
- vii. whether the person is financially healthy, is not an undischarged bankrupt or been a subject of a judgement debt which has not been satisfied in whole or in part and demonstrates the ability to fulfil personal financial obligations as and when they fall due, whether in Malaysia or elsewhere.

4.2 Experience and Competency

Experience and competency are demonstrated by a person who possesses the relevant knowledge, experience and ability to understand the technical requirements of the

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business, the inherent risks and the management process required to perform his role in a key function in the relevant capacity effectively.

In assessing a person’s experience and competency, the Board must consider factors which include, but are not limited to the following:

- i. whether the person has the appropriate education qualification, training, management and leadership skills, has a high level of emotional intelligence, practical experience and considerable understanding on the workings of a corporation to effectively fulfil the role and responsibilities of the position and in the case of directors for better corporate governance;
- ii. whether the person has satisfactory past performance or expertise and or had experience in leading or driving organisation’s governance, business performance or operations with a good past performance track record gathered from board effectiveness evaluation; and
- iii. whether the person keeps knowledge current based on continuous professional development.

4.3 Time and Commitment

Time and commitment can be demonstrated by a person who effectively meets the demands and expectations of the relevant role and position in terms of his time and commitment.

In assessing a person’s time and commitment, the Board must consider factors which include, but are not limited to the following:

- i. whether the person has the ability to discharge the role and responsibility of the position, has the passion as a director and exhibits actively the ability to articulate views independently, objectively and constructively in board meetings;
- ii. whether the person has been and will be able to devote the required time to understand the business, considering outside commitments including concurrent board positions and is able to make the effort to serve the role including exemplifying readiness to participate in events outside the boardroom; and
- iii. whether the person exhibits open mindedness to the views of others and can make a considered judgement after hearing the views of others.

5. Procedures

The process for assessing the fitness and propriety of the Key Responsible Persons entails the following steps:

- Identification of skills applicable/required for new candidates;
- Selection of candidates/annual evaluation of existing directors;
- “Fit and Proper” assessment by the BNRC based on criteria in paragraph 4 above;
- Interaction with candidate(s) and between existing directors;
- BNRC’s evaluation, deliberation and confirmation that the Key Responsible Person is fit and proper for purposes of the Board and the Group;
- Recommendation by BNRC for the Board’s approval; and
- Decision by the Board on the recommended appointment/evaluation of the new or existing director, as the case may be.

The self-evaluation questions and answers by each Key Responsible Person with the BNRC’s assessment criteria questions and answers are in ***Appendix A**, which may be amended, supplemented and/or restated from time to time as the BNRC may deem fit.

6. Review of this Policy

- 6.1** The BNRC will review this Policy, as appropriate, periodically, to ensure its effectiveness for purposes of an annual assessment of the Key Responsible Persons to

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be conducted internally and by an independent third party at least once in 3 years. The BNRC will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

7. Approval

7.1 This Policy was reviewed and approved by the Board on 1 December 2022.

** The Appendix A to this Policy is for internal purpose only and shall not be published on the Company’s website.*