



REDtone Digital Berhad

Registration No. 200201028701 (596364-U)

Directors' Fit and Proper Policy

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## 1. INTRODUCTION

REDtone Digital Berhad ("REDtone" or the "Company") has adopted the Directors' Fit and Proper Policy ("Policy") to ensure formal, rigorous, and transparent process for the appointment and re-election of directors of the Company and its subsidiaries ("Group").

The Board of Directors ("Board") of REDtone provides strategic leadership and ensures that good corporate governance culture permeates throughout the Group.

## 2. OBJECTIVE

This Policy serves as a guide to the Nomination Committee ("NC") and the Board in their review and assessment of potential candidates for appointment of Directors as well as Directors who are seeking for re-election in REDtone.

This Policy is to ensure that Directors must possess the character, integrity, relevant range of skills and knowledge, experience, competence, and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

## 3. FIT AND PROPER CRITERIA

3.1 The general criteria that form the overarching criteria in relation to the Policy are outlined below, and the Directors of the Company or any person to be appointed as a Director of REDtone have been assessed to have met all the fit and proper criteria based on, at minimum, relating to the following:

### 3.1.1 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

#### (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/her 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

**(c) Financial Integrity**

- Manages personal debts or financial affairs satisfactorily
- Demonstrates ability to fulfil personal financial obligations as and when they fall due

**(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

**3.1.2 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 onto the boardroom (i.e: a match to the board skill set matrix)
- Has a considerable understanding on the workings of a corporate governance and sustainability issues
- 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

**(c) Relevant past performance or track record**

- Had a career of occupying a high-level position in a comparable organization, and was accountable for driving or leading the organization's governance, business performance or operations
- Possesses commendable past performance record as gathered from the results of the board effectiveness evaluation

### **3.1.3 Time and 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 organizations)

#### **(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 judgement after hearing the views of others

## **4. ASSESSMENT OF FITNESS AND PROPRIETY OF DIRECTORS**

- 4.1 The Board and NC shall be directly responsible for conducting assessments on the fitness and propriety of directors and making decisions on their appointments.
- 4.2 The Company will consider the factors set out in item 3.1 above and the NC will assess the Director(s) standing for re-election / re-appointment as well as a candidate identified for a new appointment as Director of the Company based on the criteria set under item 3.1 above before recommending to the Board for consideration and approval. The fit and proper assessment may also be conducted whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.
- 4.3 The Company should exercise the assessment objectively in the best interest of the Company and the sound conduct of the Company's business. In conducting the assessment, the Company should consider whether there have been material changes in the nature or scope of the responsibilities assumed by a director in which higher standards of competence or judgment are required in order to properly perform the duties associated with the said position.
- 4.4 A person who has been identified for appointment as a director or for re-election / re-appointment as a director of the Company shall complete the Declaration of Fit and Proper Form as set out in **Annexure I**, or in such other forms as the NC may determine from time to time.

**5. POLICY SUBJECT TO PERIODICAL REVIEW**

- 5.1 The Nomination Committee shall review this Policy on a regular basis to ensure its effectiveness and recommend to the Board for approval on any changes which it may deem necessary in compliance with the requirements of REDtone, Bursa Malaysia Securities Listing Requirements and/or any other regulatory requirements.

## Annexure I – Declaration of Fit and Proper Form

Name: ..... NRIC / Passport No.: ..... do hereby solemnly affirm and declare the following:

No.	Criteria	YES	NO
<b>Probity, Personal Integrity and Reputation</b>			
1.	I have not been the subject of any proceedings of a disciplinary or criminal nature, or have been notified of any impending proceedings or of any investigations, which might lead to such proceedings;		
2.	I have not contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;		
3.	I have not contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;		
4.	I or any business in which I have a controlling interest or exercise significant influence, have not been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;		
5.	I have not been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on my professional conduct;		
6.	I have not been dismissed, asked to resign or have resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions on my honesty and integrity;		
7.	I have not been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorization, membership or a license to conduct any trade, business or profession, or has had that registration, authorization, membership or license revoked, withdrawn or terminated;		
8.	I have not held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while I was connected with that business;		
9.	I have not been a director of, or have been directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia, or of any licensed institution, the licence of which has been revoked under any written law;		

10.	In the past, I have not acted unfairly or dishonestly in my dealings with my customers, employer, auditors and regulatory authorities;		
<b>Probity, Personal Integrity and Reputation</b>			
11.	I have not at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations;		
12.	I have not contributed significantly to the failure of an organization or a business unit;		
13.	I have not at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices; and		
14.	I am free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of my judgement when acting in the capacity of a Director of REDtone or REDtone Group which would be disadvantageous to REDtone or REDtone's interest.		
<b>Financial Integrity</b>			
15.	I am and will be able to fulfil my financial obligations, whether in Malaysia or elsewhere, as and when they fall due;		
16.	To my knowledge, I have not been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.		
17.	I have not made arrangements with creditors, filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction.		

\*Where you have ticked 'NO', please explain and/or provide the relevant documents

Explanation for items ticked 'No'	
No.	Explanation

.....  
(Signature)

Name:

Date: