

PAVILION

REAL ESTATE INVESTMENT TRUST

*Managed by
Pavilion REIT Management Sdn Bhd*

**DIRECTORS' FIT AND
PROPER POLICY
OF
PAVILION REIT
MANAGEMENT SDN BHD**

Effective Date : 1 July 2022

1. INTRODUCTION

This Directors’ Fit and Proper Policy (“Policy”) of Pavilion REIT Management Sdn Bhd (“PRMSB”) sets out the appointment of new Directors and applicable on a continuing basis to the existing Directors of PRMSB who are to conduct themselves with integrity and professionalism as Directors of PRMSB.

2. OBJECTIVE

This Policy is to ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of PRMSB.

The policy serves as a guide to the Nominating Committee (“NC”) and the Board of Directors (“Board”) in reviewing and assessing the suitability of candidates, Directors who are seeking for re-election and the periodic/annual assessment of the Board, Board Committees and individual Directors.

3. FIT AND PROPER CRITERIA

The considerations underpinning the “fit and proper” criteria of Directors include but not limited to the following:

3.1 Character and Integrity

(a) Probity

- complies 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 reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect to the person’s honesty, integrity or business conduct.

(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 PRMSB in a manner that contravenes the principles of good governance.
- has not concurrent responsibilities or interest which would contribute to a conflict of interest situation or otherwise impair the ability to discharge duties and responsibilities as Director of PRMSB.
- has not been involved in any unethical or inappropriate practice which would render him/her unfit to perform his/her duties and responsibilities.

(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 subjected to a judgement debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.
- is not an undischarged bankrupt.

(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 convicted of an offence relating to the promotion, formation or management of a corporation.
- has not been convicted of an offence involving bribery, fraud or dishonesty.
- has not been disqualified by the court.

3.2 **Experience and competence**

(a) **Qualifications, training and skills**

- possess 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.
- possess 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.
- financial literacy and works constructively with peers, the company secretary and senior management.

(b) **Relevant experience and expertise**

- possess relevant experience and expertise with due consideration given to past appointments.

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

- has satisfactory past performance or track record in past appointments and/or expertise in the nature of the Group's business.

3.3 **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 organisations).

(b) **Participation and contribution in the board or track record**

- devote sufficient time to discharge his/her duties and responsibilities, attend meetings and well prepared at the meetings.
- 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 NEW CANDIDATES FOR DIRECTORSHIPS AND RE-ELECTION OF DIRECTORS

NC shall assess new candidates as Directors, to conduct the assessment for re-election of Directors and periodic/annual assessment of the Board, Board Committees and individual Directors based on the fit and proper criteria in item 3 above.

5. REVIEW OF THIS POLICY

This policy shall be reviewed as and when required in accordance with the requirements of PRMSB, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and/or other applicable laws enforced for the time being.