



Paradigm REIT Management Sdn Bhd

FIT & PROPER POLICY

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DEFINITION

| | |
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| Board | Board of Directors of Paradigm REIT Management Sdn Bhd |
| CEO | Chief Executive Officer |
| CMSA | Capital Markets Services Act 2007 |
| Directors | A member of the Board |
| Manager | Paradigm REIT Management Sdn Bhd |
| Paradigm REIT | A diversified REIT established in Malaysia and constituted by a deed of trust |
| RNC | Remuneration and Nomination Committee |

1. INTRODUCTION

The Directors' Fit and Proper Policy ("Policy") serves as a guide for the Remuneration and Nomination Committee ("RNC") and the Board of the Directors ("the Board") of the Manager in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking re-election.

2. SCOPE

This Policy applies to all Board members including the CEO of the Manager.

3. OBJECTIVES

This Policy is to ensure that each of the Directors shall possess the character, integrity, competence, relevant range of skills, knowledge, experience and the time commitment that allows them to carry out their duties and responsibilities in an effective manner and in the best interest of the Group and its stakeholders.

4. FIT AND PROPER CRITERIA

a) Character and Integrity

(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 court.
- has not been convicted, whether within or outside Malaysia, of an offence involving fraud or other dishonesty or violence or the conviction of which involved a finding that it or he acted fraudulently or dishonestly.
- has not been convicted of an offence under the securities laws or any law outside Malaysia relating to capital market.
- has not been subjected to any action taken by the Commission under section 354, 355 or 356 of the CMSA.
- has not contravened any provision made by or under any written law whether within or outside Malaysia appearing to the Commission to be enacted for

protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of financial services or the management of companies.

(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 (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 held in a manner that contravenes the principles of good governance.
- has not engaged in or has been associated with any other business practices or otherwise conducted itself or himself in such a way as to cast doubt on its or his competence and soundness of judgment.

(iii) Financial Integrity

- manages personal debts or financial affairs satisfactorily.
- demonstrates ability to fulfil personal financial obligations as and when they fall due.
- is not an undischarged bankrupt whether within or outside Malaysia.

(iv) Reputation

- is of good repute and character 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.

b) Experience and Competence

(i) Qualifications, training and skills

- possesses education qualification that is relevant to the skill set that the Director is bringing onto the boardroom.
- has a considerable understanding on the business and 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 appointments, length of service, nature of business, responsibilities held and delegated authorities.

(iii) Relevant past performance or track record

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

c) Time and Commitment

(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);
- act with due skill, care and diligence in carrying out roles and responsibilities

(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 views of others and ability to make considered judgement after hearing the views of others.

5. EVALUATION OF CANDIDATE FOR A DIRECTOR OR RE-APPOINTMENT OF A DIRECTOR

- a) The NRC is responsible for evaluation candidates for new appointment as Directors based on the fit and proper criteria as spelt out in 4.0 above before recommending to the Board for approval.
- b) For re-appointment of Directors, the Directors will be evaluated based on the Board Evaluation Form. The NRC has the power not to recommend to the Board the reappointment of retiring Directors who do not meet the policy requirements.
- c) For new appointments, the candidates are required to complete the Candidate for Directorship profile. The candidates will also be required to complete a self-declaration of fit and proper form and authorise the Manager to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.
- d) The information gathered from the assessments shall be for the NRC's strict use for the purpose of the assessment and not for public disclosure.

6. CIRCULATION AND REVIEW

This Policy shall be:

- a) reviewed and updated periodically to ensure that it continues to remain relevant and in line with best practices.
- b) All revisions recommended by the RNC shall be subject to the approval of the Board. The revised Policy will supersede the previous version.

(end of Policy)