



LIFTECH GROUP BERHAD

Registration No. 202301002993 (1496912-A)

DIRECTORS' FIT AND PROPER POLICY

LGB-COR-13

DIRECTORS' FIT AND PROPER POLICY

LIST OF REVISIONS

Document reference no	Revision	Revision date	Effective date
LGB-COR-13			31 December 2025

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This Director's Fit and Proper Policy has been approved by the Board of Directors of the Company via a Directors' Written Resolution dated on 31 December 2025 and is made effective on 31 December 2025.

DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

This **Director's Fit and Proper Policy** sets out the approach for the appointment of new Directors of Liftech Group Berhad ("**Company**") and re-appointment of Directors of the Company seeking re-election.

2. PURPOSE

- 2.1 The purpose of this Policy is set out the policy statements by the Board of Directors of the Company ("**Board**") in relation to the review and assessment of potential candidates for appointment as Directors of the Company as well as Directors who are seeking re-election and to provide guidance to the Nomination and Remuneration Committee ("**NRC**") of the Company in carrying out the review and assessment relating appointment and/or re-appointment of Directors of the Company.
- 2.2 This Policy sets out the criteria on the appointment and re-appointment of Directors of the Company focusing on (i) character and integrity, (ii) experience and competence and (iii) time and commitment, to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.
- 2.3 The fit and proper criteria will be applicable at the time of appointment as a Director and on a continuing basis as all Directors of the Company are expected to conduct themselves with highest integrity and professionalism as well as to comply with all relevant legal and regulatory obligations.

3. FIT AND PROPER CRITERIA

- 3.1 The considerations underpinning the "fit and proper" criteria for the appointment and re-appointment of Directors are as follows:

3.1.1 Character and Integrity

a) Probity

- (i) He/she is compliant with legal obligations, regulatory requirements and professional standards.
- (ii) He/she has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
- (iii) He/she 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) Financial soundness and solvency

- (i) He/she manages personal debts or financial affairs satisfactorily.
- (ii) He/she demonstrates ability to fulfil personal financial obligations as and when they fall due.
- (iii) He/she has not been subjected to a judgment debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.

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- c) Personal integrity, honesty and ethical behaviour
 - (i) He/she 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.
 - (ii) His/her service contracts (i.e. in the capacity of management or Director) have not been terminated in the past due to concerns on personal integrity.
 - (iii) He/she has no 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 the Company.
 - (iv) He/she has not abused other positions (i.e. that he/she has held) in a manner that contravenes principles of good governance and professional ethics.

- d) Good reputation
 - (i) He/she is of good repute in the financial and business community.
 - (ii) He/she has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.
 - (iii) He/she has not been reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Suruhanjaya Syarikat Malaysia, Bank Negara Malaysia or any other regulatory authorities both locally or abroad.
 - (iv) He/she 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
 - (i) He/she 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).
 - (ii) He/she has a considerable understanding on the business and workings of a corporation.
 - (iii) He/she has understanding of sustainability issues including Environment, Social and Governance (ESG) issues.
 - (iv) He/she possesses general management skills as well as understanding of good corporate governance best practices.
 - (v) He/she has financial literacy skills especially able to read and understand financial statements.
 - (vi) He/she keeps knowledge current based on continuous professional development.

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- b) Relevant experience and expertise
 - (i) He/she 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.
 - (ii) Reporting lines and delegated authorities.
- c) Relevant past performance or track record
 - (i) He/she has a career of occupying a high-level position in a comparable organization and were accountable for driving or leading the organization's governance, business performance or operations.
 - (ii) He/she 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
 - (i) He/she is able to devote time as Board members, having factored other outside obligations including concurrent Board positions held by the Directors across listed issuers and non-listed entities (including not-for-profit organizations).
- b) Participation and contribution in the Board or track record
 - (i) He/she demonstrates willingness to participate actively in Board activities.
 - (ii) He/she demonstrates willingness to devote time and effort to understand the businesses and exemplify readiness to participate in events outside the boardroom.
 - (iii) He/she manifests passion in the vocation of a Director.
 - (iv) He/she exhibits ability to articulate views independently, objectively and constructively.
 - (v) He/she exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. EVALUATION OF A CANDIDATE FOR DIRECTORSHIP OR RE-APPOINTMENT OF DIRECTOR

- 4.1 The NRC shall evaluate candidates for appointment as Directors of the Company based on the fit and proper criteria as set out in Section 3.1 above before recommending to the Board for approval. For the appointment of a new Director, the candidates are required to complete the Proposed Directors' Information as set out in Annexure 2.
- 4.2 For the appointment of new Directors, the candidates are required to authorise the Company to perform background checks, if necessary, which may cover previous

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employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.

- 4.4 In the case of candidates for the position of an Independent Non-Executive Director, the candidates should demonstrate ability to discharge their responsibilities and functions as expected from them. They must satisfy also the independence criteria as defined under the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and they should not hold more than five (5) directorships in public listed companies at one time to ensure that they would be able to devote sufficient time and commitment to the Company.
- 4.5 Consideration shall be given to achieve diversity of the Board with regards to gender, age, tenure, cultural diversity as well as international expertise where the Company and its subsidiary companies ("**Group**") has operations in foreign jurisdictions. However, there shall be no discrimination of whatsoever nature in respect of age or race or ethnicity during the selection process.
- 4.6 The re-appointment of retiring Directors seeking re-election shall be evaluated by the NRC based on the "fit and proper" criteria as set out in Section 3.1 of this Policy and the performance of the Directors seeking re-election shall evaluated by the NRC based on the Director Evaluation Form as set out in Annexure 1. The NRC has the discretion not to recommend to the Board the re-appointment of a retiring Director if he/she no longer meet the "fit and proper" criteria as set out in this Policy.
- 4.7 All personal information of the proposed Directors received by the Company shall be treated with strict confidence.

5. REVIEW AND AMENDMENTS

- 5.1 The NRC is responsible to review this **Directors' Fit And Proper Policy** periodically or where necessary in line with any legal or regulatory changes and requirements/ best practices prescribed under the Listing Requirements of Bursa Securities and the Malaysian Code on Corporate Governance, as the case may be. Any amendments made to this **Director's Fit And Proper Policy** shall be subject to the approval of the Board.

DIRECTOR EVALUATION FORM

This Evaluation Form provides ratings from one (1) to four (4), or 'Yes' and 'No', with the indicators illustrated below, to be responded in relation to the nature of the questions:

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Yes, always	Yes, most of the time	Yes, but seldom	No
or			
4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Above average	Average	Below average	Poor
or			
Yes <input type="checkbox"/>			No <input type="checkbox"/>
Yes			No

Where a particular criterion is deemed not applicable, it shall be indicated as "Not Applicable" in the comment box.

Name of Director: _____

Criteria					Comments
Section A : Fit and Proper					
1. Has not been questioned, of his/her honesty, integrity, professional conduct or business ethics/practices which are deceitful, oppressive or improper and investigated on complaints lodged.	Yes		No		
2. Has shown willingness to maintain effective internal control systems and risk management practices.	Yes		No		
3. Possesses relevant qualification, knowledge, experience and ability to understand the technical requirements, risk and management of the company's business.	4	3	2	1	
Section B : Contribution and performance					
4. Probes management to ensure management has taken, and suggests management to take into consideration the varying opportunities and risks whilst developing strategic plan (this plan may or may not be in writing as long as minutes of meeting provide a discussion of such strategy.	4	3	2	1	
5. Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements.	4	3	2	1	
6. Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any.	4	3	2	1	
7. Receives feedback from board and/or committee and incorporates feedback obtained into decision-making process in an objective manner.	4	3	2	1	
8. Defends own stand through constructive deliberations at board and/or committee meetings, where necessary.	4	3	2	1	
9. Tackles conflicts and takes part in proposing solutions.	4	3	2	1	
10. Offers practical and realistic advice to board and/or committee discussions.	4	3	2	1	
11. Takes initiative to demand for additional information, where necessary.	4	3	2	1	

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Criteria					Comments
12. Tests quality of information and assumptions.	4	3	2	1	
13. Reviews and relates short-term concerns to long-term strategy.	4	3	2	1	
14. Contributes to risk management initiatives.	4	3	2	1	
15. Contributes personal knowledge and experience into the consideration and development of strategy.	4	3	2	1	
16. Facilitates objective-oriented decision-making process.	4	3	2	1	
17. Prioritises context of issues to be in line with objectives.	4	3	2	1	
18. Effectively and proactively follows up on areas of concern.	4	3	2	1	
19. Demonstrates willingness to devote time and effort to understand the company, its business and displays readiness to participate in events outside the boardroom such as site visits.	4	3	2	1	
<u>Section C : Calibre & Personality</u>					
20. Acts in good faith and with integrity.	4	3	2	1	
21. Attends meetings well prepared and adds value to board and/or committee meetings.	4	3	2	1	
22. Works constructively with peers, the company secretary and senior management.	4	3	2	1	
23. Offers insight to matters presented with requisite knowledge and skills, and shares information.	4	3	2	1	
24. Encourages others to get things done, is decisive and action-oriented.	4	3	2	1	
25. Articulates in a non-confrontational and comprehensible manner.	4	3	2	1	

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Criteria					Comments
26. Understands individual roles and responsibilities and ensures contribution is contemporary with developments.	4	3	2	1	
27. Behaviour engenders mutual trust and respect within the Board and with other key officers.	4	3	2	1	
28. Communicates effectively with shareholders.	4	3	2	1	
29. Constructively challenges and contributes to the development of strategy.	4	3	2	1	
30. Scrutinises the performance of management in meeting agreed goals and objectives and monitors reporting of performance.	4	3	2	1	
31. Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible.	4	3	2	1	

Other comments:

PROPOSED DIRECTOR'S INFORMATION

Name of Company:

Part A: Personal Details

1	Full Name	
2	Date of Birth	
3	NRIC No / Passport No	
4	Citizenship	
5	Permanent Address	
6	Correspondence Address (if different from above)	
7	Telephone No	
8	Email Address	

Part B: Education Background, Employment History and Work Experience

1. Education Qualification

Degree/Professional qualification(s)	Name of school/university	Year obtained

2. Employment History

From / To	Designation / Position	Employer

3. Areas of Expertise / Experience (please tick)

Strategy and entrepreneurship	
Legal and regulatory requirements	
Corporate governance, risk management and internal controls	
Audit, accounting, financial reporting and taxation	
Human capital	
Sales and marketing	
Information technology	
Production and quality assurance	
Sustainability / Environmental, Social and Governance (ESG)	
Others: Please state	

Part C: Directorship (current and past directorships in the past 5 years)

From / To	Designation / Position	Company

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Part D: Declaration

I, (full name), (NRIC. No.), hereby declare the following: *(please tick (/) whichever applicable)*

1.	I have not been subject to any proceedings of a disciplinary or criminal nature, or have not been notified of any impending proceedings or of any investigations, which might lead to such proceedings.	
2.	In civil cases, I have not admitted liability or been found liable by any court for fraud or dishonesty under any jurisdiction.	
3.	I have not been refused the right to carry on any trade, business or profession for which a specific authorisation by any regulatory authority, professional body or government agency is required by law in any jurisdiction.	
4.	I have not been dismissed, asked to resign or have resigned from employment or from holding office as a director of a company because of negligence, incompetence, fraud or mismanagement.	
5.	I have not been a director of, or directly concerned in the management of, any corporation that violated any provision made by or under any written law such as the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2016, Capital Markets and Services Act 2007 and any other applicable laws.	
6.	I have not been a director of, or directly concerned in the management of, any corporation which has been reprimanded by any regulatory authorities including Bursa Malaysia Securities Berhad, Securities Commission Malaysia and Suruhanjaya Syarikat Malaysia.	
7.	I have not been a director of, or 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 license of which has been revoked under any written law.	
8.	I have not objected or been unwilling to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory and professional requirements or standards.	
9.	I have not in the past acted unfairly or dishonestly in the dealings with customers, employer, auditors and regulatory authorities.	
10.	I have no conflict or potential conflict of interest (direct or indirect) that affects, or may affect, my proper performance of the duties of this position which is disadvantageous to the Company.	
11.	I have met relevant solvency requirements imposed upon me.	
12.	To my knowledge, no financial penalty has been imposed upon me or any enforcement action taken against me by a professional or financial regulatory authority in any jurisdiction.	

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13.	I have not filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction.	
14.	I have been and will be able to fulfil my financial obligations, whether within or outside Malaysia, as and when they fall due.	
15.	I am not currently not and will not be an active politician during my tenure as a director of your Company. “active politician” is defined as 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.	

(*Please provide elaboration on a separate sheet for those boxes which are not ticked)

Part E: TIME AND COMMITMENT

No	Questions	Your Answer
1	What kind of time commitments do you now have for your current activities?	
2	What would your expectations be for the time necessary for Board of the Company?	

I, (NRIC/Passport No:) hereby declare that the above responses are true and correct, as to the best of my knowledge. I further authorise the Company to conduct background check, if necessary, which may consist of prior employment verification, professional reference checks, education confirmation and/or criminal record and credit checks for the purpose of my appointment as a Director of the Company.

.....
 Signature:
 Name:
 Date: