

## **DIRECTORS' FIT AND PROPER POLICY**

### **1. The Board**

- 1.1 The Board of Directors of the Company ("Board") has adopted a **fit and proper policy** for the appointment and re-election of Directors ("Policy") of the Company and its subsidiaries ("Group").
- 1.2 This Policy will enhance the governance of the Company in relation to the Board's quality and integrity, as well as ensure that each of its Directors has the character, experience, integrity, competence, time and commitment to effectively discharge his role as a Director.
- 1.3 For appointment or re-election of an Independent Director, the individual candidate or director is required to fulfil the criteria of "independence" as defined under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 1.4 The Board shall ensure that the fit and proper criteria on the appointment and re-election of Directors of the Group set out in Paragraph 2 are applied on a continuing basis.
- 1.5 The Board and the Remuneration and Nomination ("R&N") Committee shall conduct the fit and proper assessment prior to the appointment of any candidate as a Director, or making recommendation for the re-election of an existing Director.

### **2. The Fit and Proper Criteria**

The assessment procedures shall be in a form of due diligence taking into account the following fit and proper criteria conducted by the R&N Committee and declarations by each individual candidate or Director that:

#### **A. Character and Integrity**

##### **i) Probity**

- he is compliant with legal obligations, regulatory requirements and professional standards; and
- he has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

##### **ii) Personal integrity**

- he 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;

- his service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity; and
- he 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.

**iii) Financial integrity**

- he manages personal debts or financial affairs satisfactorily and with good financial standing based on report from a credit rating agency; and
- he demonstrates ability to fulfil personal financial obligations as and when they fall due.

**iv) Reputation**

- he is of good repute in the financial and business community;
- he has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years; and
- he has not been substantially involved in the management of a business or company which has failed (including a GN3 or PN17 company), where that failure has been occasioned in part by deficiencies in that management.

**B. Experience and Competence**

**i) Qualification, training and skills**

- he possesses 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);
- he has a considerable understanding on the workings of a corporation;
- he possesses general management skills as well as understanding of corporate governance and sustainability issues;
- he keeps knowledge current based on continuous professional development; and
- he possesses leadership capabilities and a high level of emotional intelligence.

**ii) Relevant experience and expertise**

- he 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.

**iii) Relevant past experience or track record**

- he had a career of a senior management or high level position in a comparable organisation, and was accountable for driving or leading

the organisation's governance, business performance or operations;  
and

- he possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation or based on the financial and non-financial performance of the corporation where the person identified for appointment as a director was involved.

### **C. Time and Commitment**

#### **i) Ability to discharge role having regard to other commitments**

- he is able to devote time as a Board member, having factored other outside obligations including existing board positions held by the Director in other listed issuers (taking into consideration his board attendance records) and non-listed entities (including not-for-profit organisations).

#### **ii) Participation and contribution in the Board or track record (applicable for re-election of existing Directors only)**

- he demonstrates willingness to participate actively in Board activities;
- he demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- he manifests passion in the vocation of a director;
- he exhibits ability to articulate views independently, objectively and constructively; and
- he exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

A person who has been identified for appointment as a Director or for re-election as a Director within the Group shall be required to make the fit and proper declaration in the form as set out in Appendix I of this Policy or in such other forms as the R&N Committee may from time to time prescribe or approve.

### **3. Review of the Policy**

This Policy will be reviewed periodically, as and when appropriate, to ensure its effectiveness. The R&N Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval (if any).

**ANCOM NYLEX BERHAD**  
**Registration No.:196901000122 (8440-M)**  
**(Incorporated in Malaysia)**

**Directors' Declaration of Fit and Proper**

I, ..... (Name)

NRIC No./Passport No.: .....

do hereby solemnly affirm and declare the following:

**(This section is to be completed by ALL Directors)**

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 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;		
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 has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about 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, authorisation, membership or a license to conduct any trade, business or profession, or has had that registration, authorisation, membership or license revoked, withdrawn or terminated;		

No.	Criteria	Yes	No
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 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.	I have not in the past, acted unfairly or dishonestly in my dealings with my customers, employer, auditors and regulatory authorities;		
11.	I have not at any time fail 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 organisation 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;		
14.	I do not have 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 the Company which would be disadvantageous to the Company or its interest;		
<b>Financial Integrity</b>			
15.	I am and will be able to fulfill my financial obligations, whether in Malaysia or elsewhere, as and when they fall due; and		
16.	I have not been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or outside Malaysia.		

**This Section is to be completed by Independent Directors only:**

	Yes	No
1. I am not an <u>executive director</u> of the Company or its related companies;		
2. I am not, and have not been <u>within the last 3 years</u> , an officer of the Company or any of its related companies. For this purpose, "officer" has the meaning given in section 2 of the Companies Act;		
3. I am not a <u>major shareholder</u> of the Company or its related companies;		
4. I am not a <u>family member</u> of any executive director, officer or major shareholder of the Company or its related companies;		
5. I am not acting as a <u>nominee</u> or representative of any executive director or major shareholder of the Company or its related companies;		
6. I have not been engaged as an adviser by the Company or its related companies under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides <u>professional advisory services</u> to the Company or its related companies under such circumstances as prescribed by the Exchange;		
7. I have not engaged in any transaction with the Company or its related companies under such circumstances as prescribed by the Exchange, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Comp[any) which has <u>engaged in any transaction</u> with the Company or its related companies under such circumstances as prescribed by the Exchange;		
8. I have not served as an independent director in any one or more of the Company and its related companies for a cumulative period of <u>more than 12 years</u> from the date of my first appointment as an independent director.		

**NOTES:**

a. Item 5 - Acting as Nominee

"**Nominee**" means a person who has been designated to act for another in his or her place. It denotes a person who is accustomed, or is under an obligation, whether formal or informal to act in accordance with the directions, instructions or wishes of another person.

b. Item 6 - Professional Advisor

A person who is proposed to be or is an independent director ("**said Director**") is disqualified from being an independent director if he –

- i. had personally provided professional advisory services to the Company or its related companies within the last 3 years; or
- ii. is presently a partner, director (except as an independent director) or major shareholder, of a firm or corporation ("**Entity**") which has provided professional advisory services to the Company or its related companies within the last 3 years,

and the consideration in aggregate is more than 5% of the gross revenue on a consolidated basis (where applicable) of the said Director or the Entity, or RM1 million, whichever is the higher.

c. Item 7 - Any Transaction

The said Director is disqualified from being an independent director if he -

- i. had engaged personally in transactions with the Company or its related companies (other than for board service as a non-executive director) within the last 3 years; or
- ii. is presently a partner, director, a major shareholder, of an Entity (other than subsidiaries of the listed issuer) which has engaged in transactions with the Company or its related companies within the last 3 years,

and the consideration in aggregate exceeds 5% of the gross revenue on a consolidated basis (where applicable) of the said Director or the Entity or RM1 million, whichever is the higher.

However, "**transactions**" in paragraph above excludes transactions –

- a. on normal commercial terms entered into between the Company or its related companies and the said Director or between the Company or its related companies and an Entity where the said Director is also a director, major shareholder or partner -
  - i. for personal use of the said Director; or
  - ii. for personal investment of the said Director but not for the purpose of carrying on a trade or business;
- b. on normal commercial terms entered into between the Company or its related companies and an Entity where the said Director is also a director (and not a major shareholder) but is not involved in the said transactions;
- c. for the goods and services, provided that they are sold or rendered based on a non-negotiable fixed price or rate, which is published or publicly quoted and the material terms including the prices or charges are applied consistently to all customers or classes of customers:
  - (i) provision or usage of public utility services (such as water, electricity, hotel etc); and
  - (ii) such other types of goods or services that may be prescribed by the Exchange from time to time.

If you have ticked "No" in any of the criteria above, please provide detailed explanation on each of the criteria.

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(signature)

Name:

Date: