

DIRECTORS' FIT AND PROPER POLICY

1. INTRODUCTION

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

2. THE FIT AND PROPER CRITERIA

- 2.1 The assessment procedures shall take the form of due diligence conducted by the R&NC, having regard to the following fit and proper criteria, together with declarations by each individual candidate or Director, that:

(A) Character and Integrity

(i) Probity

- (a) he/she is compliant with legal obligations, regulatory requirements and professional standards; and
- (b) he/she has not been the subject of any disciplinary or criminal proceedings, and has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.

(ii) Personal Integrity

- (a) 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/her professional conduct;
- (b) his/her service contract (in the capacity of management or director) has not been terminated in the past due to concerns regarding personal integrity; and
- (c) he/she has not been dismissed from, or resigned from, employment or a position of trust, fiduciary appointment or similar position due to concerns on honesty and integrity.

(iii) Financial Integrity

- (a) he/she manages personal debts or financial affairs satisfactorily and is of good financial standing, based on a report from a credit rating agency;

(b) he/she demonstrates the ability to fulfil personal financial obligations as and when they fall due; and

(c) he/she is free from any judgment or award that remains outstanding or was not satisfied within a reasonable period.

(iv) Reputation

(a) he/she is of good repute in the financial and business community;

(b) 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; and

(c) he/she has not been substantially involved in the management of a business or company which has failed (including a GN3 or PN17 company), or which is being or has been wound up, or which underwent voluntary liquidation, receivership or insolvency, within or outside Malaysia.

(b) Experience and Competence

(i) Qualification, Training and Skills

(a) he/she possesses educational qualifications relevant to the skill set the Director is earmarked to bring to the boardroom (i.e. a match to the Board Skills Matrix);

(c) he/she has a considerable understanding of the workings of a corporation;

(c) he/she possesses general management skills, as well as an understanding of corporate governance and sustainability issues;

(d) he/she keeps knowledge current through continuous professional development; and

(d) he/she possesses leadership capabilities and a high level of emotional intelligence.

(ii) Relevant Experience and Expertise

(a) he/she possesses relevant experience and expertise, with due consideration given to length of past service, the nature and size of the business, responsibilities held, number of subordinates, reporting lines and delegated authorities.

(iii) Relevant Past Experience or Track Record

(a) he/she had a career in senior management or a high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations; and

(b) he/she possesses a 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 with which the candidate was involved.

(c) Time and Commitment

- (i) ***Ability to Discharge Role Having Regard to Other Commitments***
 - (a) he/she is able to devote sufficient time as a Board member, having factored in other outside obligations, including existing board positions held in other listed issuers (taking into account board attendance records) and non-listed entities (including not-for-profit organisations).
- (ii) ***Participation and Contribution in the Board / Track Record (applicable for re-election of existing Directors only)***
 - (a) he/she demonstrates willingness to participate actively in Board activities;
 - (b) he/she demonstrates willingness to devote time and effort to understand the businesses, and exemplifies readiness to participate in events outside the boardroom;
 - (c) he/she manifests passion for the vocation of a director;
 - (d) he/she exhibits the ability to articulate views independently, objectively and constructively; and
 - (e) he/she exhibits open-mindedness to the views of others and the ability to make considered judgment after hearing the views of others.

- 2.2 A person identified for appointment, or for re-election, as a Director within the Group shall be required to complete the Fit and Proper Declaration in the form set out in Appendix I to this Policy, or in such other form as the R&NC may from time to time prescribe or approve.

3. FAILURE TO MEET FIT AND PROPER CRITERIA

- 3.1 Where a Director is subsequently found to have ceased to meet the fit and proper criteria, the Board may take appropriate action in accordance with applicable laws, the Company's Constitution and governance policies, including:
- (a) requesting the Director's resignation;
 - (b) initiating removal in accordance with the Constitution;
 - (c) reporting the matter to the relevant authorities where required; and/or
 - (d) taking other remedial measures deemed necessary to safeguard the interests of the Company and its shareholders.
- 3.2 The Board shall ensure that any such decision is properly deliberated, documented and disclosed in compliance with applicable regulatory requirements.

4. REVIEW AND PUBLICATION

- 4.1 This Policy shall be reviewed at least once every three years, and whenever there is a material change in the applicable law, regulation or guidance, or in the circumstances of the Group. Any amendment is subject to the approval of the Board.
- 4.2 This Policy shall be made available on the Company's website at www.ancomnylex.com.

DOCUMENT CONTROL

Document	Directors' Fit and Proper Policy
Owner	Remuneration & Nomination Committee
Approved by	Board of Directors
Date of approval	29 September 2026
Supersedes	Directors' Fit and Proper Policy dated 10 August 2023

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

DIRECTORS' FIT AND PROPER DECLARATION FORM
(Annexure to the Directors Fit & Proper Policy)

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
Probity, Personal Integrity and Reputation			
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;		

No.	Criteria	Yes	No
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 licence to conduct any trade, business or profession, or has had that registration, authorisation, membership or licence 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 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;		
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 in the business that I managed;		
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 a company which would be disadvantageous to the Company.		
Financial Integrity			
15.	I am and will be able to fulfill my financial obligations, whether in Malaysia or elsewhere, as and when they fall due; and		

No.	Criteria	Yes	No
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.		
TIME COMMITMENT			
17	I am able to devote time as a Board member, having factored my other outside obligations including existing board positions held by me in other listed and non-listed entities.		
18	I am willing to participate actively in Board activities; and to devote time and effort to understand the businesses and to participate in events outside the boardroom.		
19	I am able to articulate views independently, objectively and constructively; and be open minded to the views of others and to make considered judgment after hearing the views of others.		

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 the Company and any one or more of its related companies for a cumulative period of <u>more than 9 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: