



DIRECTORS' FIT AND PROPER POLICY

This Directors' Fit and Proper Policy was reviewed and approved by the Board on 27 May 2022

1.0 OBJECTIVES

- 1.1 This Policy serves as a guide to the Nomination Committee and the Board of Directors (“the Board”) in their review and assessment of candidates for appointment onto the Board as well as Directors who are seeking for re-election.
- 1.2 This Policy set out the fit and proper criteria for the appointment and re-election of Directors.
- 1.3 This Policy is to ensure that each of the Directors possesses the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to discharge his/her role and responsibilities as a Director.

2.0 SCOPE

- 2.1 This Policy shall apply to the Board of Ahmad Zaki Resources Berhad (“AZRB”) and its subsidiaries (“AZRB Group”).

3.0 DIRECTORS' FIT AND PROPER POLICY

- (a) In assessing a person’s fitness and propriety, the Board through its Nomination Committee, shall consider all relevant factors based on the following overarching criteria:-
 - Character and Integrity;
 - Experience and Competence; and
 - Time and Commitment.
- (b) The Nomination Committee shall determine the specific factors for its consideration in a fit and proper assessment, having regard to the circumstances and requirements relevant to the Company. Amongst the key factors that underpin the above overarching criteria are as outlined below, which would be assessed by the Nomination Committee taking into account their relative importance.

(i) Character and Integrity

(1)	Probity	<ul style="list-style-type: none"> • The person is compliant with the legal obligations, regulatory requirements and professional standards, where applicable; and • The person has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.
(2)	Personal Integrity	<ul style="list-style-type: none"> • The person 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;

		<p>and</p> <ul style="list-style-type: none"> The person's service contract (i.e. in the capacity of management or as a director) had not been terminated in the past due to concerns on his personal integrity.
(3)	Financial integrity	<ul style="list-style-type: none"> The person manages personal debts or financial affairs satisfactorily; and The person is not currently listed on any authorities' database as not being of good financial standing.
(4)	Reputation	<ul style="list-style-type: none"> The person is of good repute in the financial and business community; and The person has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.

(ii) Experience and competence

(1)	Qualifications, training and skills	<ul style="list-style-type: none"> The person has a considerable understanding on the workings of a corporation; The person possesses general management skills as well as understanding of corporate governance, and appreciation of sustainability issues; The person keeps knowledge current based on continuous professional development; and The person possesses leadership capabilities and a high level of emotional intelligence.
(2)	Relevant experience and expertise	<ul style="list-style-type: none"> The person 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.
(3)	Relevant past performance or track record	<ul style="list-style-type: none"> The person had a credible career preferably in leadership positions in reputable organisations; and With respect to re-election of existing Board members, the person possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation.

(iii) Time and commitment

(1)	Ability to discharge role having regard to other commitments	<ul style="list-style-type: none"> The person is 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).
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(2)	Participation and contribution in the Board or track record	<ul style="list-style-type: none"> • The person demonstrates willingness to participate actively in Board activities; • The person demonstrates willingness to devote time and effort to understand the business and exemplifies readiness to participate in events outside the Boardroom; • The person manifests passion in the vocation of a director; • The person exhibits ability to articulate view independently, objectively and constructively; and • The person exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.
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- (c) A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director within the Company and the Group shall be required to make the fit and proper declaration as the Nomination Committee may from time to time prescribe or approve.