

ASIA BRANDS

ASIA BRANDS BERHAD

DIRECTORS' FIT AND PROPER POLICY

Revision History

Version	Effective Date
1	18.05.2022

1. OVERVIEW

The Directors' Fit and Proper Policy ("Policy") sets out the approach for the appointment and re-election of directors of Asia Brands Berhad ("ABB" or "Company") and its subsidiary companies.

2. OBJECTIVE

2.1 This Policy serves as a guide to the Nomination and Remuneration Committee ("the NRC") and the Board of Directors of ABB ("Board") in their review and assessment of potential candidates for appointment as directors as well as directors who are seeking for re-election.

3. FIT AND PROPER CRITERIA

3.1 The "fit and proper" criteria of a director include but not limited to the following:

3.1.1 Character and Integrity

(a) Probity

- (i) is compliant with legal obligations, regulatory requirements and professional standards.
- (ii) has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
- (iii) 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) manages personal debts or financial affairs satisfactorily.
- (ii) demonstrates ability to fulfil personal financial obligations as and when they fall due.
- (iii) has not been subjected to a judgment debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.

(c) Personal integrity, honesty and ethical behaviour

- (i) 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) 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) 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 a director of the Company and/or its subsidiaries.
- (iv) 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.

(d) Good reputation

- (i) is of good repute in the financial and business community.
- (ii) 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) 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 local or abroad.
- (iv) 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 Competence and Capability

(a) Qualifications, training and skills

- (i) has the appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position.
- (ii) has a considerable understanding on the business and workings of a large public corporation.
- (iii) has adequate and broad knowledge on sustainability as well as environment, social and governance (ESG) issues.
- (iv) possesses general management skills as well as understanding of good corporate governance best practices.
- (v) possesses financial literacy especially the ability to read and understand financial statements.
- (vi) keeps knowledge current, based on continuous professional development.
- (vii) possesses leadership capabilities and a high level of emotional intelligence.

(b) Relevant experience and expertise

- (i) 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.

(c) Relevant past performance or track record

- (i) had a career of occupying a high-level position in a comparable organization and was accountable for driving or leading the organization's governance, business performance or operations.
- (ii) 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) 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 organizations).

(b) Participation and contribution in the Board or track record

- (i) demonstrates willingness to participate actively in Board activities.
- (ii) demonstrates willingness to devote time and effort to understand the businesses and exemplify readiness to participate in events outside the boardroom.
- (iii) Manifests passion in the vocation of a director.
- (iv) Exhibits ability to articulate views independently, objectively and constructively.
- (v) Exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. ASSESSMENT OF FITNESS AND PROPRIETY OF DIRECTORS

- 4.1 The NRC shall evaluate candidates for new appointment as directors based on the fit and proper criteria listed in item 3.1 above before recommending to the Board for approval. The Board Evaluation Form is set out in Annexure 1 (The questionnaires are based on the Corporate Governance Guide 4th Edition).
- 4.2 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 re-appointment of retiring directors who do not meet the requirements of this Policy.

- 4.3. For new appointments, the candidates are required to complete the Candidate for Directorship profile as set out in Annexure 2. The candidates will also be required to complete a self-declaration of fit and proper form and authorise the Company to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.
- 4.4 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

5. REVIEW

- 5.1 The NRC is responsible for regular reviews of this Policy and making any recommended changes as and when it deemed fit. The terms of this Policy shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.

Adopted by the Board on 18 May 2022.