

## **APB RESOURCES BERHAD**

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

#### **1. PURPOSE**

- 1.1 This Fit and Proper Policy ("Policy") serves as a guide to the Nomination Committee ("NC") and the Board of Directors ("the Board") of APB Resources Berhad ("the Company") 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.
- 1.4 The NC is responsible to assess the candidates as per this Policy and make the relevant recommendation to the Board on the proposal regarding appointment and re-election of directors.
- 1.5 The Board is to approve such proposal and where relevant, make a recommendation to the shareholders of the Company for approval at an annual general meeting.

#### **2. SCOPE**

- 2.1 The Policy applies to the appointment and re-election of directors of the Company and its subsidiaries. It also acts as a guide for the selection of candidates as the Company's nominee directors on the boards of joint venture companies and associate companies.
- 2.2 This Policy takes effect from 1 July 2022 and will continue to be in force unless varied or revoked by the Board of Directors of the Company.

#### **3. COMPLIANCE REQUIREMENTS**

- 3.1 This Policy has been prepared to ensure compliance with the relevant provisions of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the Malaysian Code on Corporate Governance 2021 ("MCCG").
- 3.2 Paragraph 15.01A of the MMLR provides that a listed issuer must have a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries, ensure the policy addresses board quality and integrity and will aid the listed issuer to comply with paragraph 2.20A of the MMLR, and to make available the policy on its website.

- 3.3 Paragraph 2.20A of the MMLR provides that every listed corporation, management company or trustee-manager must ensure that each of its directors, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his/her role as a director, chief executive or chief financial officer, as the case may be, of the listed corporation, or the collective investment scheme.
- 3.4 Pursuant to MCCG Practice 5.5, the appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

#### **4. FIT AND PROPER CRITERIA**

- 4.1 Any person to be appointed or re-elected as a director of the Company or its subsidiaries or a nominee director on the boards of joint venture companies and associate companies must not be disqualified, pursuant to Section 198(1) of the Companies Act 2016 and Paragraph 15.05(1) of the MMLR, and has been assessed to have met all the fit and proper criteria based on, at minimum, the following:
- (a) character and integrity;
  - (b) experience and competence; and
  - (c) time and commitment.

##### **4.1.1 Character and Integrity**

(i) **Probity**

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

(ii) **Personal integrity**

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

- manages personal debts or financial affairs satisfactorily.
- demonstrates ability to fulfil personal financial obligations as and when they fall due.

(iv) Reputation

- is of good repute in the financial and business community.
- has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 5 years.
- has not been reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Companies Commission of Malaysia or any other regulatory authorities for the past 5 years.
- 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.

4.1.2 Experience and Competence

(i) Qualifications, training and skills

- 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 and strategic priorities of the Company).
- has a considerable understanding on the workings of a corporation.
- possesses general management skills as well as understanding of corporate governance and sustainability issues.
- keeps knowledge current based on continuous professional development.
- Understands the fiduciary duties and responsibilities as a director and is able to act professionally and independently and in the interest of all shareholders

(ii) Relevant experience and expertise

- 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 performance or track record

- 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.
- possesses commendable past performance record as gathered from the results of the board effectiveness evaluation (applicable for re-election and re-appointment of directors).

4.1.3 Time and Commitment

(i) Ability to discharge role having regard to other commitments

- 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).

(ii) Participation and contribution in the board or track record

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

**5. PERIODIC REVIEW OF THE FIT AND PROPER POLICY AND REPORTING REQUIREMENTS**

5.1 The NC shall review this Policy once in three (3) years or upon changes to the relevant rules and regulations, whichever is earlier and make the appropriate recommendation to the Board on any proposed amendments to the Policy. Periodic review would also be made to ensure the relevance and alignment with the Company's needs and structure as well as material changes in the business and risk profile of Directors.

5.2 Pursuant to Paragraph 15.08A(3) of the MMLR, the Company shall disclose in its annual report, a statement about the activities of the NC in the discharge of its duties for the financial year which includes the application of the Fit and Proper Policy in the nomination and election of its directors, how the requirements set out in paragraph 2.20A of the MMLR are met and contain the following information:

- (i) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the listed issuer;
- (ii) the board nomination and election process of directors; and
- (iii) the assessment undertaken by the nominating committee in respect of the performance of its board, committees and individual directors together with the criteria used for such assessment.

5.3 A copy of the Fit and Proper Policy is available on the Company's website.

## INFORMATION ON THE PROSPECTIVE DIRECTOR

### PERSONAL DETAILS

1	Full Name	:	
2	NRIC/Passport No.	:	
3	Age	:	
4	Nationality	:	
5	Gender	:	
6	Email address	:	
7	Residential Address		
8	Service Address		
9	Contact Details	:	

### ACADEMIC QUALIFICATION AND WORKING EXPERIENCE

1	Academic Qualification		
2	Areas of Expertise		
3	Working Experience		

### PRESENT DIRECTORSHIP

	Name of Company		Position
1			
2			
3			
4			

### DECLARATION

1	Any family or business relationship with any Director / Management / Major Shareholders of APB Resources Berhad which could materially pose a conflict of interest or interfere with your judgment when acting as a director which is disadvantageous to the Company?		Yes, please state details / No
2	Any equity interest, both direct and indirect, in APB Resources Berhad?		Yes, please state details / No

3	Have you been convicted by a court of laws, whether within Malaysia or elsewhere, of any commercial and criminal offences or been involved in any impending disciplinary or criminal proceedings or of any investigations, which might lead to such proceedings within the past 5 years?		Yes, please state details / No
4	Have you or your Company where you are a director been reprimanded/sanctioned/penalized by the regulators namely Securities Commission and Companies Commission of Malaysia?		Yes, please state details / No
5	Currently a bankrupt?		Yes, please state details / No
6	Hold a position in any political party?		Yes, please state details / No

#### OTHERS

1	Are you able to commit and devote time as needed to discharge the duties and responsibilities as a Director of APB Resources Berhad		Yes, please state details / No
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Signature of the Prospective Director

Date