



**AIMFLEX BERHAD**

**DIRECTORS' FIT AND PROPER POLICY**

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## **1. POLICY STATEMENT**

The Board of Directors is responsible for the proper stewardship of AIMFLEX and its subsidiaries (collectively the "Group") and is entrusted with leading and overseeing the business of the Group, which includes optimising long-term financial returns and shareholder wealth creation.

The Directors' Fit and Proper Policy is created to ensure a formal, rigorous and transparent process for the appointment and re-election of directors to satisfy the above responsibilities.

In formulating this policy, the Group is obliged to comply with the requirements contained in the Rule 15.01 of Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s Listing Requirements and other applicable rules and regulations at the prevailing country to ensure compliance with the obligations imposed.

## **2. OBJECTIVES**

This policy is intended to set out the fit and proper criteria for the appointment and re-appointment of Directors on the Boards of the Group.

This policy ensures that each Director has the character, integrity, experience, competence and time in order to discharge his/her role as a Director of the Group effectively.

This policy serves as a guide to the Nomination Committee ("NC"), Remuneration Committee ("RC") and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.

This policy does not replace other policies and procedures such as AIMFLEX Nomination and Selection of Directors Policy and Procedure, AIMFLEX Board and Senior Management Remuneration Policy and other specifically laid down statutory reporting procedures.

### **3. CRITERIA**

The fit and proper criteria of a Director include but not limited to the following:

#### **3.1 Character and Integrity**

##### **3.1.1 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

##### **3.1.2 Personal integrity**

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

##### **3.1.3 Financial integrity**

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

##### **3.1.4 Reputation**

- i. is of good reputation 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 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.

## **3.2 Experience and competence**

### **3.2.1 Qualifications, training and skills**

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

### **3.2.2 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

### **3.2.3 Relevant past performance or track record**

- i. had a career of occupying a high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations;
- ii. possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

## **3.3 Time and commitment**

### **3.3.1 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 organisations)

### **3.3.2 Participation and contribution in the board or record of accomplishment**

- i. demonstrates willingness to participate actively in board activities;
- ii. demonstrates willingness to devote time and effort to understand the businesses and exemplifies 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. THE ASSESSMENT**

The NC and RC will assess each person for a new appointment or re-appointment of Directors based on the criteria set under Clause 3 before recommending to the Board for approval.

The Board should exercise the assessment objectively in the best interests of the Group and the sound conduct of the Group's business. In conducting the assessment, the Board should consider whether there have been material changes in the nature or scope of the responsibilities assumed by a director in which higher standards of competence or judgement are required in order to perform the duties associated properly with the said position.

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. NON-DISCLOSURE OF SENSITIVE AND CONFIDENTIAL INFORMATION**

Whilst the Group should disclose the customised considerations and expectations in this Policy, the Group shall not disclose any sensitive and confidential information.

#### **6. REVIEW OF THE POLICY**

The NC and RC shall recommend any change to the Policy as the NC and RC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated in accordance with the needs of the Group, changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia or any other regulatory requirements.

THIS POLICY WAS ADOPTED BY THE BOARD ON 27th May 2022