



AWANBIRU TECHNOLOGY BERHAD
[Reg. No. 201001038336 (922260-K)]
(Incorporated in Malaysia)

**FIT AND PROPER
POLICY**

Adopted as at 26 May 2022



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1. PURPOSE

1.1 This Fit and Proper Policy ("**Policy**") sets out AwanBiru Technology Berhad's approach ("**Awantec**" or the "**Company**") to the assessment of the fitness and propriety of candidates that are to be appointed onto the Board and re-election of directors of the Company and its subsidiaries. This Policy seeks to serve as an effective guideline to: -

1.1.1 Encourage Board renewal and strengthen Board independence;

1.1.2 Improve Board quality and promote greater transparency in the appointment and re-election of directors; and

1.1.3 Promote greater diversity and inclusivity in the Board of listed corporations.

1.2 In formulating this Policy, the Company has taken into account the recommendations of the Malaysian Code on Corporate Governance and its disclosure obligations contained in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

1.3 This policy shall also be read together with the Company's Terms of Reference ("**TOR**") of NC and Nomination Policy.

2. SCOPE OF APPLICATION

This Policy is meant as a reference for all directors of Awantec and its subsidiaries ("**the Group**"). In the context of this Policy, including but not limited to directors of Awantec and the Group, key personnel of Senior Management (defined as "**President/Group Chief Executive Officer ("CEO"), CEOs, Chief Operating Officer, Chief Business Officer and Chief Financial Officer/Group Financial Controller**" or "**C-Levels**"), Head of Department ("**HoD**") whom to be considered for an appointment to the Board.

3. RESPONSIBILITIES OF THE BOARD AND NC

3.1 The Board and NC are primarily responsible for ensuring the candidates that are to be appointed as the directors of the Company and its subsidiaries, as well as directors who are seeking for re-election fulfil fit and proper requirements.

3.2 The Board and NC are also responsible for conducting assessments of the fitness and propriety of the Board of the Company as well as subsidiaries.

3.3 The NC (with the assistance of the Company Secretaries, Senior Manager of Legal and Corporate Governance, Director of Human Resource and Administration,

where appropriate) is responsible for the assessment of existing directors or candidates for nomination or appointment as a director of the Company and its subsidiaries and making these recommendations to the Board on these matters.

4. FIT AND PROPER CRITERIA

The Company shall have regarded the following criteria in assessing a person's fitness and propriety to hold the position as a director of the Company and its subsidiaries as well as in assessing candidates prior to appointment and re-election onto the Board: -

4.1 Character and Integrity

The person must have probity, personal and financial integrity.

Personal qualities refer to honesty, integrity, diligence, independence of mind and fairness whilst financial integrity refers to the ability to manage his or her debts or financial affairs prudently.

In assessing a person's level of character and integrity, the Board and NC shall consider factors which include, but are not limited to the following: -

4.1.1 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, professional bodies or a court of law.

4.1.2 Personal Integrity

- i. Has not perpetrated or participated in any business practices or conduct which are deemed as deceitful, oppressive, improper (whether unlawful or not), or which reflect negatively on his professional conduct and/or cast aspersions on his integrity.
- ii. Service contract (i.e., in the capacity of management or director) had not been suspended or terminated in the past due to concerns on personal integrity or questionable conduct. .

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- iii. Has not abused other positions (i.e., political appointment) to facilitate government relations for the Company or any other entity in a manner that contravenes the principles of good governance.
 - iv. whether the person is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a director which would be disadvantageous to the interest of the Company and/or its subsidiaries.
 - v. Is forthcoming to inform the company of any perceived or potential conflicts of interests that may develop or arise during his tenure as a director.

4.1.3 Financial Integrity

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

4.1.4 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.
- iii. Has not been directly or substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in the quality of oversight or business management.

4.2 Experience and competence

Experience and competence can be demonstrated as a person must have the necessary qualification, training, skills, ability, experience, expertise, and relevant performance to carry out the role.

In assessing a person's level of experience and competence, the Board and NC shall consider factors which include, but are not limited to the following: -

4.2.1 Qualifications, training, and skills

- i. Possesses education qualification that is relevant to the skill set that the director is earmarked or expected to bring to the boardroom (i.e., a match to the board skill set matrix).
- ii. Has a considerable understanding on the workings of a corporation including the governance framework and operating structure.
- 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.

4.2.2 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.
- ii. Accomplishments, experience and reputation in the technology industry and other relevant sectors.

4.2.3 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 acceptable or commendable past performance record as gathered from the results of the Board effectiveness evaluation.

4.3 Time and commitment

Time and commitment can be demonstrated as a person must be able to give full commitment in respect of his or her sufficient time, interest and attention to the Company's business.

In assessing a person's level of time and commitment, the Board and NC shall consider factors which include, but are not limited to the following: -

4.3.1 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 organisations).

4.3.2 Participation and contribution in the Board or track record

- i. Demonstrates willingness to participate actively in Board deliberation.
- 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.
- vi. Assist and support Management and providing useful directions and insights to contribute to continuous business and organisational improvements and Company's success.
- vii. Has a positive working relationship with both peers and appropriate C-level executives.

5. REVIEW OF THE POLICY

This Policy shall be reviewed periodically by the Board in accordance with the needs of the Company, from time to time or when changes to regulatory requirements necessitate a revision, but at least once every three (3) years; any recommendation for its revision will be highlighted to the Board for approval.

Adopted by the Board on: 26 May 2022