



# **ANALABS RESOURCES BERHAD**

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

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## **1. INTRODUCTION**

The Directors' Fit and Proper Policy ("Policy") is designed to ensure a transparent and rigorous process for appointment or re-election of directors of Analabs Resources Berhad ("ANALABS" or "the Company") and its subsidiaries.

The Policy aims to ensure that all members of the Board possesses the character, integrity, relevant range of skills, competence and capability, experience as well as time commitment that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.

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

The general criteria that form the overarching criteria in relation to the Policy are outlined below:

- a) Character and integrity;
- b) Experience and competence; and
- c) Time and commitment

## **2. SCOPE AND APPLICATION**

In assessing if a candidate meets the criteria under this Policy, the Board together with the NC shall consider factors which include but are not limited to the following:

### **A) Character and Integrity:**

#### **(i) Probity**

- He/she is compliant with legal obligations, regulatory requirements and professional standards;
- He/she has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court;
- He/she is free in any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his/her judgment when acting in the capacity of a director which would be disadvantage to the Company or the Group's interest.

#### **(ii) Personal integrity**

- He/she 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;
- His/her service contract (i.e. in the capacity of management or director) has not been terminated in the past due to concerns on personal integrity;
- He/she has not abused other positions (e.g. political appointment) that he/she has held in a manner that contravenes the principles of good governance.

**(iii) Financial integrity**

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

**(iv) Reputation**

- He/she is of good repute in the financial and business community;
- He/she has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- He/she 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.

**B) Experience and competence**

**(i) Qualifications, training and skills**

- He/she possesses education and qualification that is relevant to the skill set that the director is earmarked to bring onto the boardroom (i.e. a match to the board skill set matrix);
- He/she has a considerable understanding on the workings of a corporation;
- He/she possesses general management skills as well as understanding of corporate governance and sustainability issues;
- He/she keeps up with current knowledge based on continuous professional development;
- He/she possesses leadership capabilities and a high level of emotional intelligence.

**(ii) Relevant experience and expertise**

- He/she 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**

- He/she 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;
- He/she possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

**C) Time and commitment**

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

- He/she 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 organizations).

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

- He/she demonstrates willingness to participate actively in board activities;
- He/she demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- He/she manifests passion in the vocation of a director;
- He/she exhibits ability to articulate views independently, objectively and constructively;
- He/she exhibits open mindedness to the views of others and ability to make considered judgments after hearing the views of others.

**3) RESPONSIBILITIES OF THE BOARD AND NC**

- 3.1 The Board and NC shall be responsible in the application of this Policy and for conducting assessments on the fitness and propriety of the candidates/directors and making decisions on their appointments or re-election. The fit and proper assessment may also be conducted whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.
- 3.2 The Board should disclose the application of the Company's fit & proper policy in the nomination and election of its Directors in the annual report.
- 3.3 For appointments of new directors, the person shall be required to complete the Declaration form as set out in Appendix I or in such form as the NC may from time to time prescribe or approve.
- 3.4 The Fit and Proper assessment shall be performed on a yearly basis. The Directors of the Company shall complete the Declaration form as set out in Appendix I together with the yearly Board Evaluation forms.
- 3.5 The Company should conduct the assessment objectively in the best interests of the Company. In conducting the assessment, the Company should also consider if 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 properly perform the duties associated with the said position.
- 3.6 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

**SUBSIDIARIES**

For the directors of the subsidiary companies of the Company, the Board delegates the responsibility of assessment for fit and proper and decision on appointment and/or re-election of directors in the subsidiaries in Malaysia to the Group Executive Chairman and in the case of foreign subsidiaries, the appointment and/or re-election of directors are subject to the laws and regulations of the respective countries governing such appointment and/or re-election of directors.

**4) REVIEW OF POLICY**

This Policy shall be reviewed periodically by the NC from time to time and the NC may recommend any amendments to the Board to ensure its effectiveness and appropriateness in accordance with the needs of the Company, the Malaysian Code on Corporate Governance, the Listing Requirements of Bursa Malaysia and/or any other applicable laws enforced at the time being.

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## DIRECTORS' DECLARATION OF FIT AND PROPER

Name: ..... NRIC/Passport No.....

*Kindly tick (✓) on relevant box.*

NO.	CRITERIA	YES	NO
<b>PROBITY, PERSONAL INTEGRITY AND REPUTATION</b>			
1	I have not contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;		
2	I or any business in which I have a controlling interest or exercise significant influence, have not been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;		
3	I have not at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations;		
4	I am free of any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of my judgment when acting in the capacity of a director which would be disadvantages to ANALABS or the Group's interest;		
5	I have not been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on my professional conduct;		
6	I have not been dismissed, asked to resign or have resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions on my honesty and integrity;		
7	I have not at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices;		
8	I have not been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;		
9	I have not held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while I was connected with that business;		

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NO.	CRITERIA	YES	NO
<b>PROBITY, PERSONAL INTEGRITY AND REPUTATION</b>			
10	In the past, I have not acted unfairly or dishonestly in my dealings with my customers, employer, auditors and regulatory authorities;		
<b>FINANCIAL INTEGRITY</b>			
11	I will be able to fulfil my financial obligations, whether in Malaysia or elsewhere, as and when they fall due;		
12	I have not made arrangements with creditors, filed for bankruptcy or been adjudicated a bankrupt;		
<b>EXPERIENCE AND COMPETENCE</b>			
13	Has a considerable understanding on the business and workings of the ANALABS Group;		
14	Possesses general management skills as well as understanding of technical requirements, risk management, corporate governance and sustainability issues;		
15	Has current knowledge based on continuous professional development;		
16	Possesses relevant experience and expertise given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities;		
<b>TIME AND COMMITMENT</b>			
17	Able to devote time as a Board member, having factored other external obligations including concurrent board positions held across listed issuers* and non-listed entities (including not-for-profit organisations)  *Not holding more than 5 directorships in Public Listed Company or such other number as may be determined by the regulators/authorities from time to time.		

\* Where you have not ticked 'YES', please explain and/or provide the relevant documents

<b>Explanation for items not ticked 'YES'</b>	
No.	Explanation

.....  
(signature)

Name:

Date: