

ADVENTA BERHAD
Registration No. 200301016113 (618533-M)
(Incorporated in Malaysia)

FIT AND PROPER POLICY

Approved by : Board of Directors

Approved date : 29 June 2022

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1.0 Purpose

- 1.1. This Policy set out the fit and proper criteria for the appointment and re-election of the Board of Directors (“**Board**”) of Adventa Berhad (“**Company**”) and its subsidiaries.
- 1.2. Ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of the Company and its subsidiaries.
- 1.3. Serve as a guide to the Nomination Committee (“**NC**”) 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.

2.0 Fit and Proper Criteria

The Board and NC will be responsible for assessing the fit and proper criteria of a Director which include, but are not limited to the following:

2.1 Probity, personal integrity and reputation

- (i) whether the person is or has 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;
- (ii) whether the person has contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice;
- (iii) whether the person has contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;
- (iv) whether the person, or any business in which he has a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;
- (v) whether the person has engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;
- (vi) whether the person has been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about his honesty and integrity;
- (vii) whether the person has been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a license to conduct any trade, business or profession, or has had that registration, authorisation, membership or license revoked, withdrawn or terminated;

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- (viii) whether the person has held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while the person was connected with that business;
- (ix) whether the person has been a director of, or directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia;
- (x) whether, in the past, the person has acted unfairly or dishonestly in his dealings with his customers, employer, auditors and regulatory authorities;
- (xi) whether the person has at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations;
- (xii) whether a person has contributed significantly to the failure of an organisation or a business unit;
- (xiii) whether the person has at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices; and
- (xiv) whether the person is involved in any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his/her judgement when acting in the capacity of a key responsible person which would be disadvantageous to the Company's interests.

2.2 Competency and capability

2.2.1 Qualification, training and skills

- (i) whether the person possesses appropriate qualification, experience and expertise that is relevant to effectively fulfil the role and responsibilities of their respective positions;
- (ii) whether the person has a considerable understanding on the business and the workings of a corporation;
- (iii) whether the person possesses general management skills as well as understanding of good corporate governance and sustainability issues;
- (iv) whether the person keeps knowledge current based on continuous professional development; and
- (v) whether the person possesses leadership capabilities and a high level of emotional intelligence.

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2.2.2 Relevant past experience, expertise and performance or track record

- (i) whether the person 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) whether the person 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;
- (iii) whether the person possesses commendable past performance record as gathered from the results of the board effectiveness evaluation; and
- (iv) whether the person has satisfactory past performance or expertise in the nature of the business being conducted.

2.3 Financial integrity

- (i) whether the person has been and will be able to fulfil his financial obligations, whether in Malaysia or elsewhere, as and when they fall due; and
- (ii) whether the person has been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.

2.4 Time and commitment

- (i) whether the person 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 organisations).
- (ii) whether the person is able to participate and contribute in the board or track record which includes:
 - 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;
 - manifests passion in the vocation of a Director;
 - exhibits ability to articulate views independently, objectively and constructively; and
 - exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

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3.0 Assessment

The NC will assess each person for a new appointment or re-election or election of Directors based on the criteria as set out under Section 2.0 before recommending to the Board for approval. The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

4.0 Review of the Policy

This Policy shall be periodically accessed, reviewed and updated by the NC and/or Board where necessary in accordance with the needs of the Company and/or when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements or any other regulatory requirements.