



AVALAND BERHAD

Company Registration No.: 200901038653 (881786-X)
(Incorporated in Malaysia)

Fit and Proper Policy

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Fit and Proper Policy

1. Introduction

The Fit and Proper Policy (“**Policy**”) serves to guide the Nomination and Remuneration Committee (“**NRC**”) and the board of directors of the Company (“**Board**”) in their review and assessment of the fitness and properness of any person to be appointed as or elected to a key responsible person of the Company and its subsidiaries (“**Group**”).

The key responsible persons in this Policy refer to key persons that are accountable or responsible for the management and oversight of the Group. These comprise the board of directors and key management officers of the Group.

The Board and NRC may delegate the responsibility for fit and proper assessments and decisions on appointments of key management officers of the Group to the Chief Executive Officer of the Company. The Board and NRC shall remain accountable for such assessments and decisions.

2. Criteria and Assessment

To establish whether a person is fit and proper to hold a key responsible person position, the Company shall have regard to the person’s:

- i. Probity, personal integrity, and reputation;
- ii. Competence and capacity; and
- iii. Financial integrity.

In determining whether a person meets the fit and proper requirements, the considerations as set out below should be assessed individually (according to their relative importance) as well as on a cumulative basis. Failure to meet one indicator may not, on its own, necessarily mean failure to meet the fit and proper criteria. The Group shall consider the specific circumstances surrounding a person’s failure to meet specific indicators, including the lapse of time since the occurrence of events and the significance of the event from the perspective of potential risks posed to the Group.

2.1 Probity, Personal Integrity, and Reputation

The key responsible persons must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.

In assessing a person’s probity, personal integrity, and reputation to hold a position of a key responsible person, the NRC should consider matters including, but not limited to the following:

- i. whether the person is or has been compliant with the legal obligations, regulatory requirements, and professional standards;
- ii. whether the person is or has been obstructive, misleading, or untruthful in dealing with regulatory bodies or courts;
- iii. whether the person has perpetrated or participated in any business practices that are deceitful, oppressive improper (unlawful), or otherwise reflect discredit on his professional conduct;
- iv. whether the past service contract (i.e. in the capacity of management or director) of the person had been terminated due to concerns about personal integrity;

- v. whether the person has abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance;
- vi. whether the person is of good reputation in the financial and business community;
- vii. whether the person has been the subject of civil or criminal proceedings or enforcement action in managing or governing an entity for the past five (5) years; or
- viii. whether the person has substantially been involved in managing a business or company that has failed, where management deficiencies occasioned that failure.

2.2 Competence and Capability

Competence and capability are demonstrated by a person who has the relevant competence, skill, ability, experience, and commitment to carry out the role effectively.

In assessing a person's competence and capability, the NRC should consider matters including, but not limited to the following:

- i. whether the person has demonstrated, through appropriate education qualification, skills, practical experience, training and commitment to undertake the role and responsibilities of the position effectively and in the case of directors, having regard to their other obligations;
- ii. whether the person has a sound knowledge of the business; and
- iii. whether the person has satisfactory past performance or expertise in the nature of business being conducted.

2.3 Financial integrity

The key responsible persons must manage their personal debts or financial affairs satisfactorily and demonstrate the ability to fulfil personal financial obligations as and when they fall due.

In assessing a person's financial integrity, the NRC must consider all relevant factors, including but not limited to the following:

- 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;
- ii. whether the person has been the subject of any judgement debt which remains unsatisfied, either in whole or in part, in any jurisdiction; and
- iii. whether the person has made arrangements with creditors, filed for bankruptcy, adjudicated bankrupt, or had assets sequestered in any jurisdiction.

However, a person's limited financial means will not necessarily affect the person's ability to satisfy the financial integrity criteria.

3. Review of the Policy

The Fit and Proper Policy shall be reviewed by the Board periodically, where necessary, in accordance with the needs of the Company and any new regulations that may impact the appointment and re-election of the key responsible persons.

The Fit and Proper Policy is made available for reference on the Company's website at <https://www.avaland.com.my/>.

Approved and adopted by the Board on 22 June 2022.

Appendix A: Declaration of Fit and Proper Form

I,

NRIC / Passport no.:

Address:

.....

.....

solemnly and sincerely affirm and declare the following:

A. Probity, Personal Integrity, and Reputation			
No.	Criteria	YES	NO
1.	I have been compliant with the legal obligations, regulatory requirements, and professional standards.		
2.	I have not been obstructive, misleading, or untruthful in dealing with regulatory bodies or courts.		
3.	I have not perpetrated or participated in any business practices that are deceitful, oppressive improper (unlawful), or otherwise reflect discredit on his professional conduct.		
4.	My past service contract (i.e., in the capacity of management or director) has not been terminated due to concerns about personal integrity.		
5.	I have 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.		
6.	I'm of good reputation in the financial and business community.		
7.	I have not been the subject of civil or criminal proceedings or enforcement action in managing or governing an entity for the past five (5) years.		
8.	I have not been substantially involved in managing a business or a company that has failed, where management deficiencies occasioned that failure.		
B. Financial Integrity			
1.	I have been and will be able to fulfil my financial obligations, whether in Malaysia or elsewhere, as and when they fall due.		
2.	To my best knowledge, I have not been the subject of any judgement debt which remains unsatisfied, either in whole or in part, in any jurisdiction.		
3.	I have not made arrangements with creditors, filed for bankruptcy, been adjudicated a bankrupt, or had assets sequestered in any jurisdiction.		

Where you have ticked 'NO', please explain and/or provide the relevant documents.

No.	Explanation

Kindly submit the mandatory and supporting documents for assessment purposes.

No.	Documents	Remark
1.	Profile (Mandatory)	
2.	Curriculum vitae (Mandatory)	
3.	Director's Key Management Personnel's Particulars Form (Mandatory)	
4.	Independent Director's Self-Assessment Form (if applicable)	

I confirm that the facts and information stated in this declaration are true.

Signed by:

.....
(Key Responsible Person making the declaration)

Name:

NRIC/Passport No.:

Date of Declaration:

In the presence of

.....
Name:

Date: