



ASTRAL ASIA BERHAD

Registration No. 199601002254 (374600-X)
(Incorporated in Malaysia)

Directors' Fit & Proper Policy

Introduction

Astral Asia Berhad ("AAB" or "the Company") is obliged to formulate a fit and proper policy for the appointment and/or re-election of Directors of the Company and its subsidiaries ("Group") pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

The Directors' Fit and Proper Policy ("Policy") sets out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered for the appointment, re-appointment and/or re-election of the Directors of the Group.

Purpose

This Policy serves as a guide:

1. To ensure all Directors of the Group have the necessary character, experience, integrity, competence and time to effectively discharge their role as Directors of the Group; and
2. To the Nomination Committee of the Company ("NC"), the Board of Directors ("Board") and Management of the Group in conducting the necessary assessment on candidates before appointment, or on existing Directors of the Group seeking for re-appointment and/or re-election.

Fit & Proper Criteria

In assessing the candidates identified to be appointed as Directors of the Group ("Candidates") and/or any existing Directors of the Group seeking for re-appointment and/or re-election ("Existing Directors"), the NC and/or the Management will take into consideration the following criteria:

Character and integrity

1. Probity

- Is compliant with legal obligations, regulatory requirements and professional standards.
- Has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

2. Personal integrity

- 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/her professional conduct.
- Service contract (i.e. in the capacity of Management or Director) had not been terminated in the past due to concerns on personal integrity.
- 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. Financial integrity

- Manages personal debts or financial affairs satisfactorily.
- Demonstrates ability to fulfil personal financial obligations as and when they fall due, either in Malaysia or elsewhere.

4. Reputation

- Is of good repute in the financial and/or business community.
- Has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years, either in Malaysia or elsewhere.
- 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.

Experience and competence

1. Qualifications, training and skills

- 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's skill set matrix).
- Has a considerable understanding on the workings of a corporation.
- Possesses general management skills as well as understanding of corporate governance and sustainability issues.
- Keeps knowledge current based on continuous professional development.
- Possesses management and leadership capabilities and a high level of emotional intelligence.

2. Relevant experience and expertise

- 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. Relevant past performance or track record

- 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.

- Possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation.

Time and commitment

1. Ability to discharge role having regard to other commitments

- Able to devote sufficient time as a Board member, having factored other external obligations including concurrent board positions held by the Director across listed companies and/or non-listed companies (including not-for-profit organisations).

2. Participation and contribution in the Board or track record

- 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.
- Exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

Fit & Proper Assessment and Procedures

1. The fit and proper assessment on any Candidates or on any Existing Directors shall be conducted prior to recommending to the Board for consideration and approval.
2. The assessment should take into consideration the suitability of Candidates against considerations such as competencies, commitment, contribution and performance, including the current composition of Board and Board committees (where applicable), mix of skills and experiences of Directors whilst taking into account the current and future needs of the Group, boardroom diversity (including gender diversity) and other soft attributes required as Directors. The assessment should be exercised objectively in the best interests of the Group.
3. The evaluation will be based on the fit and proper criteria set out above.
4. The results of the assessment are part of the Company's internal documents and shall not be disclosed or provided to any other external party.

New appointment of Director

Pre-requisites of candidates before assessment, evaluation and approval by the NC and/or the Board of the respective companies:

1. For appointment at the Company level

To complete and provide the following information:

- Fit and Proper Self-Declaration Form or such other form as determined by the NC from time to time.
- Updated resume.
- List of directorships (all companies including private, public and listed companies as well as not-for-profit organisations).
- Any documents or information as may be required from time to time by the NC.

2. For appointment at the subsidiaries level

To complete and provide the following information:

- Fit and Proper Self-Declaration Form or such other form as determined by the Board of the respective companies from time to time.
- Updated resume.
- List of directorships (all companies including private, public and listed companies as well as not-for-profit organisations).
- Any documents or information as may be required from time to time by the Board of the respective companies.

Re-appointment/Re-election of Director

Pre-requisites of existing Directors before assessment, evaluation and approval by the NC and/or the Board of the respective companies:

1. For re-appointment/re-election at the Company level

To complete the annual assessment and evaluation conducted by the NC with satisfactory performance.

The results of the assessment are part of the Company's internal documents and shall not be disclosed or provided to any other external party.

2. For re-appointment/re-election at the subsidiaries level

To possess commendable track record from the results of the annual performance evaluation.

- a) Interaction with the Candidate and/or Existing Director may be held, if needed, before the Board approves the appointment of the new Director or recommends the re-appointment/re-election of the Existing Director.
- b) All Candidates and/or Existing Directors are required to provide information that is true, accurate and complete for submission to the Board.
- c) The Board will make its decision based on the provision of information as outlined within this Policy.
- d) The Board will take all reasonable steps to ensure compliance with Personal Data Protection Act in collecting and using the information as part of the assessment process. The information gathered from the

assessments shall be strictly for use of the Board for the purpose of the assessment and not for public disclosure.

Fit & Proper Assessment and Procedures

The NC will review and amend this Policy as and when it deems appropriate and shall be presented to the Board for approval to ensure that it continues to remain relevant, appropriate and consistent with the Group's practices, Malaysian Code on Corporate Governance, MMLR or any other applicable regulatory requirements.