

	DIRECTORS' FIT AND PROPER POLICY	Doc. No. : CG-17
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1. INTRODUCTION

The Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) require listed issuer to adopt and disclose a fit and proper policy that addresses board quality and integrity for the appointment and re-election of directors of the listed issuer.

In compliance to the MMLR, CN Asia Corporation Bhd (“CN Asia” or the “Company”) has adopted the Directors’ Fit and Proper Policy for the appointment and re-election of directors of the Company and its subsidiaries.

This policy serves as a guide to the Nomination Committee and the Board members in their review and assessment of candidates for appointment to the Board as well as directors who are seeking for re-election.

2. FIT AND PROPER CRITERIA

The fit and proper criteria of a director shall include but is not limited to the following:

2.1 Character and Integrity

2.1.1 Probity

- is compliant with legal obligations, regulatory requirements and professional standards;
- is free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director; and
- has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.

2.1.2 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; and
- services contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity.

2.1.3 Financial integrity

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

2.1.4 Good reputation

- is of good repute in the financial and 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; and
- 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.

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2.2 Experience and Competence

2.2.1 Qualifications, training and skills

- possesses educational qualification that is relevant to the skill set that the director is earmarked to bring to bear onto the Board (i.e. a match to the board skill set matrix);
- has a considerable understanding on the business and 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; and
- possesses leadership capabilities and a high level of emotional intelligence.

2.2.2 Relevant experience and expertise

- possesses relevant experience and expertise with due consideration given to past services, nature and size of business and responsibilities held.

2.2.3 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; and
- possesses commendable past performance record as gathered from the results of the Board effectiveness evaluation.

2.3 Time and Commitment

2.3.1 Ability to discharge role having regard to other commitments

- able to devote time to the affairs of the Company as a Board member, having factored other outside obligations including concurrent board positions held by the Director in other listed issuers and non-listed entities (including not-for-profit organisations); and
- demonstrates willingness to discharge duty and devote time and effort to the Board despite other commitments.

2.3.2 Participation and contribution in the Board

- demonstrates willingness to participate actively in Board activities;
- demonstrates diligence in fulfilling the responsibilities 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 others' views.

2.4 Independence

- Not an officer or employee of the Company in the last 3 years;
- Not a family member of any executive director, officer or major shareholder of the Company;
- Not a substantial shareholder or affiliated with a substantial shareholder of the Company;
- Has no material contractual relationship with the Company other than as a director; and
- Not the Company and its subsidiaries' material supplier or customer and has no other material business relationship with the Company.

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3. ASSESSMENT OF CANDIDATE FOR APPOINTMENT AS DIRECTOR OR RE-ELECTION OF DIRECTOR

- 3.1 The Nomination Committee assess each candidate for a new appointment as director based on the criteria as set out in Clause 2 above, before recommending to the Board for approval.
- 3.2 For the re-election of director, the annual evaluation of the director based on the Individual Director Self/Peer Evaluation Form shall include the fit and proper criteria to ensure the director meets the criteria on a continuing basis. The Nomination Committee shall make recommendation to the Board on the re-election of the director based on the results of the evaluation.
- 3.3 The result of the assessments form part of the Company's internal documents and shall not be disclosed or provided to any other party.

4. REVIEW OF THE POLICY

The Nomination Committee shall review this Policy on a regular basis to ensure it remains effective and recommend to the Board for approval, on any change to the Policy, as the Nomination Committee deems appropriate, in compliance with the Malaysia Code on Corporate Governance, MMLR and/or any other regulatory requirements.