

FACB Industries Incorporated Berhad 197901004632 (48850-K)

- Directors' Fit and Proper Policy

Preamble

This Directors' Fit and Proper Policy ('Policy') sets out the criteria in making recommendation for the appointment and re-election of directors of FACB Industries Incorporated Berhad ('FACBI' or 'Company') and its subsidiaries.

It serves to guide the Board and the Nominating Committee in the review and assessment of candidates that are to be appointed onto the Board of the Company or its subsidiaries as well as Directors who are seeking re-elections.

Fit and Proper

To assess whether a person is fit and proper to be a director of FACBI or its subsidiaries, the company shall consider the person's:

- A) Character and integrity
- B) Experience and competency
- C) Time and commitment

(Hereinafter collectively referred to as "Criteria")

The Criteria

(A) Character and Integrity

- (i) Complies with legal obligations, regulatory requirements and professional standards
- (ii) Has not been the subject of court judgements (as defendant or accused) in civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years
- (iii) has not involved in any act of dishonesty in the management of a business or other entities
- (iv) No unfavourable repute in the financial and business community

(B) Experience and competence

- (i) has relevant qualification and practical experience to help the business operations
- (ii) Not substantially involved in the management of a business or company which has failed due to deficiencies in that management
- (iii) Commendable performance record
- (iv) Considerable understanding on the workings of a corporation
- (v) Understanding of corporate governance and sustainability issues

(C) Time and commitment

- (i) Able to devote time and discharge duty as a director having regard to his/her other commitments, including concurrent board positions
- (ii) Willingness to participate in Board activities
- (iii) Willingness to devote time and effort to participate in events outside the boardroom
- (iii) Open mindedness to the views of others and ability to make independent, objective and constructive judgement

Review And Assessment

Candidates shall be assessed based on the Criteria before being recommended for appointments or re-elections as directors of the Company or its subsidiaries.

The components of the Criteria shall be assessed individually, as well as collectively. Not meeting one criterion on its own does not necessarily mean not meeting the fit and proper criteria for making recommendations. The company shall exercise the review and assessment objectively. The company shall consider the circumstances surrounding a candidate as well as their significance on the Company and its subsidiaries.

Review of The Policy

This Policy shall be reviewed and be revised from time to time when deemed necessary taking into consideration the needs of the Company and its subsidiaries, Bursa Malaysia Listing Requirements, Corporate Governance principles and other applicable laws.