

# **FIT AND PROPER POLICY**

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## **1.0 INTRODUCTION**

### **1.1 Overview**

AEON Co. (M) Bhd ("AEON" or "the Company") is committed in meeting its obligation in complying with Paragraph 15.01A of the Main Market Listing Requirements ("MMLR") that a listed issuer must have a Fit and Proper policy for the appointment and re-election of directors of the listed issuers. AEON is cognizant that leaders of AEON need to possess the competence, character, diligence, honesty, integrity and judgement in order to perform their duties. The competency on any person who is identified as a "Key Responsible Person" position in AEON is crucial for the sustainable development of AEON and the Board has set out this Fit and Proper Policy ("Policy") to codify AEON's approach to the assessment of the fitness and propriety of Key Responsible Person.

This policy is designed to mitigate the risks posed to AEON from having individuals who are not fit and proper to act in the position of a responsible person.

## **2.0 DEFINITION**

"**Key Responsible Persons**" include the Directors and Key Senior Management of the Company.

"**Directors**" includes Independent Non-Executive Directors, Non-independent Non-Executive Director and Executive Directors of the Company ;

"**Key Senior Management**" shall refers to the AEON Leadership Council comprising of the following :

- a) Managing Director/Chief Executive Officer
- b) Deputy Managing Director
- c) Chief Operating Officer
- d) Chief Governance Officer
- e) Chief Human Resources Officer
- f) Chief Financial Officer
- g) Chief Property Officer
- h) Chief Ventures and Sustainability Officer
- i) Chief Marketing & Merchandising Officer
- j) Chief Technology Officer

## **3.0 RESPONSIBILITY**

### **3.1 The Board's Commitment and Responsibility**

In the application of this Policy, the Board are primarily responsible for ensuring that all Key Responsible Persons fulfill the fit and proper requirements and to conduct assessment for fitness and propriety of all Key Responsible Persons.

The Board is committed in ensuring that each Key Responsible Person has the appropriate skills and experience commensurate with the role that they hold and will make all final determinations on the fitness and propriety of Key Responsible Persons.

### **3.2 The Nominating and Remuneration Committee's ("NRC") Responsibility**

The NRC is responsible for the fit and proper assessment of the existing Key Responsible Persons or candidates to be appointed as Key Responsible Persons based on the fit and propriety standards and make recommendations to the Board on these matters. The responsibility to

assess the fitness and propriety of Key Senior Management other than the Managing Director/Chief Executive Officer could be delegated by the NRC to the Managing Director/Chief Executive Officer.

The NRC is also responsible in addressing the gaps in the assessment process and ensuring that information and documents obtained and collected for fit and proper assessments are kept confidential.

#### **4.0 FIT AND PROPRIETY STANDARDS**

##### **4.1 Key Responsible Persons**

The Company is required to have Key Responsible Persons who have the attributes that enable the Company to properly discharge its duties and responsibilities in a prudent manner under this Policy. These include attributes that relate to character, integrity, experience, competence, diligence, honesty, judgement and relevant technical and financial qualifications, knowledge and skills.

##### **4.2 Fit and Proper Criteria**

For the purpose of establishing whether the Key Responsible Persons are fit and proper, the Company shall have regard to the person's:

- (a) Character and Integrity** – probity, personal integrity, financial integrity and reputation.
- (b) Experience and Competence** – qualifications, training and skills, relevant experience and expertise, relevant past performance or track record.
- (c) Time and Commitment** – ability to discharge role having regard to other commitments, participation and contribution in the board or track record.

The assessment to the above criteria shall have regard to the considerations set out below in Clauses 4.2.1 to 4.2.3 of this policy.

###### **4.2.1 Character and Integrity**

In assessing the person's character and level of integrity to hold the position as Key Responsible Persons, the NRC and the Board should consider matters including, but not limited to the following:

###### Probity

- (a) Compliant with legal obligations, regulatory requirements and professional standards either in Malaysia or elsewhere and has not been the subject of any legal or disciplinary proceedings either civil or criminal in nature;
- (b) Has not been obstructive, misleading or untruthful in dealings with auditors, regulatory bodies, a court or a tribunal;
- (c) Is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a Key Responsible Person which would be disadvantageous to the Company or its interest.

Personal Integrity

- (a) 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 professional conduct;
- (b) The service contract (i.e. in the capacity of Management or Director) had not been terminated in the past and had not been dismissed, asked to resign or resigned from employment due to concerns on personal integrity;
- (c) 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.

Financial Integrity

- (a) Manages personal debts or financial affairs satisfactorily;
- (b) Demonstrates ability to fulfill personal financial obligations as and when they fall due;
- (c) Is not an undischarged bankrupt or been a subject of a judgement debt which has not been satisfied in whole or in part and demonstrates the ability to fulfil personal financial obligations as and when they fall due, whether in Malaysia or elsewhere.

Reputation

- (a) Have good repute in the financial and business community;
- (b) Has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years;
- (c) 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.

**4.2.2 Experience and Competency**

Experience and competency are demonstrated by a person who possesses the relevant education, knowledge, experience and competency to understand the technical requirements of the business and the management process required to perform his/her role as a Key Responsible Person in the relevant capacity effectively.

In assessing the person's experience and competency, the NRC and the Board should consider matters including, but not limited to the following:

Qualifications, training and skills

- (a) Possesses the appropriate education qualification, experience or functional/technical expertise that is relevant to fulfill the role and responsibilities of the positions;
- (b) Has a considerable understanding on the workings of a corporation;
- (c) Possesses general management skills as well as understanding of corporate governance and sustainability issues;
- (d) Keeps knowledge current based on continuous professional development;
- (e) Possesses leadership capabilities and a high level of emotional intelligence.

Relevant experience and expertise

- (a) 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.

Relevant past performance or track record

- (a) Had a career of occupying a high-level position in a comparable organization, and was accountable for driving or leading the organisation's governance, business performance or operations;
- (b) Possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

#### **4.2.3 Time and Commitment**

In assessing the person's time and commitment, the NRC and the Board should consider matters including, but not limited to the following:

Ability to discharge role having regard to other commitments

- (a) Able to devote time as requisite by his/her positions, having factored in other outside obligations including other board positions/executive duties held by the Key Responsible Persons across other organizations (including not-for-profit organization).

Participation and contribution in the board or track record

- (a) Demonstrates willingness to participate actively in board activities;
- (b) Demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
- (c) Manifests passion in the vocation of his/her position as Key Responsible Persons;
- (d) Exhibits ability to articulate views independently, objectively and constructively;
- (e) Exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others.

Directorship in other companies

- (a) The directorships held by any Director at any one time shall not exceed five (5) listed companies;  
Key senior management must devote the whole of his/her professional time as requisite by his/her positions and shall not carry on any other business or vacation, except as non-executive director or shareholder of another company. In ensuring that a position of responsibility outside his/her position in the Company does not create conflicts of interest or demands on the senior management's professional time, a senior management must not hold non-executive directorship in more than three (3) entities other than his/her executive position in the Company. Any directorship of the key senior management in listed companies is subject to the review and approval by the Nomination and Remuneration Committee and the Board of the Company.

## 5.0 ASSESSMENT PROCESS

### 5.1 ASSESSMENT PROCESS

The fit and proper assessment will be conducted as follows:

Category of Key Responsible Person	Conducting of the fit & proper assessment
Directors	<p><u>Prior to appointment:</u> The NRC will assess and makes recommendation to the Board for final decision.</p> <p><u>Existing:</u> The NRC will assess annually during the Board Evaluation exercise and makes recommendation on the re-election of the Directors to the Board for final decision.</p>
Managing Director/Chief Executive Officer	<p><u>Prior to appointment:</u> The NRC will assess and makes recommendation to the Board for final decision.</p> <p><u>Existing:</u> The NRC will assess annually during the performance evaluation exercise and report to the Board.</p>
Key Senior Management other than the Managing Director/Chief Executive Officer	<p><u>Prior to appointment:</u> The Managing Director/Chief Executive Officer will assess and report to the NRC and Board.</p> <p><u>Existing:</u> The Managing Director/Chief Executive Officer will assess annually during the performance evaluation exercise and report to the NRC and Board.</p>

In assessing a person's fitness and propriety, the Board through its NRC, shall consider all relevant factors based on the fit and proper criteria pursuant to Clause 4.2 above.

A person who has been identified for appointment as Key Responsible Persons of the Company shall be required to make fit and proper declaration in the form as set out in Appendix I of this Policy or in such other forms as the NC may from time to time prescribe or approve.

### 5.2 FIT AND PROPER CRITERIA AND PRUDENT JUDGEMENT

The Company will make its decision based on the provision of information as outlined within this Policy. The Company will also make reasonable enquiries to obtain relevant information that can be taken into account in making a fit and proper assessment, in addition to the Fit and Proper Declaration Form completed by the Key Responsible Persons. The information may include a person's formal qualifications and attainments, curriculum vitae, referee

reports obtained as part of a recruitment process, and any other publicly available information that is relevant to the fit and proper assessment.

### **5.3 FAILURE TO MEET FIT AND PROPER CRITERIA**

Where a person is found to be not fit and proper due to lack of character, diligence, honesty, integrity or judgement, or is found to be misleading or deceptive, the person is required to resign. Otherwise, for a Director and a Managing Director/Chief Executive Officer, the NRC may recommend his/her immediate removal as a Director to the Board for approval. For a Key Senior Management other than a Managing Director/Chief Executive Officer, the Managing Director/Chief Executive Officer can terminate him/her immediately.

### **5.4 DISCLOSURE OF INFORMATION RELEVANT TO A FIT AND PROPER ASSESSMENT**

The Key Responsible Persons are required to disclose to the Company all information that may be relevant to a fit and proper assessment. The Company will take all reasonable steps to ensure compliance with Personal Data Protection Act 2010 ("PDPA") in collecting and using the information about Key Responsible Persons as part of the assessment process.

Conflict of interest are required to be disclosed by the Key Responsible Persons on initial appointment and ongoing basis, or for Directors, declaration of any interests could be made at each Board meeting.

### **6.0 DOCUMENT RETENTION AND REPORTING**

The Company will maintain on file information related to the fit and proper assessment of all current and past Key Responsible Persons. Fit and proper assessment results are available to the Chairman and to be tabled annually first at the NRC meeting, which would then be reported by the NRC to the Board at a Board meeting. The Company must include the application of its fit and proper policy in the nomination and election of its directors in the NRC's Report in its annual report.

### **7.0 REVISION OF POLICY**

This Policy shall be reviewed as and when necessary. A copy of this Policy is uploaded onto the Company's website.

Adopted on 10 June 2022.

**KEY RESPONSIBLE PERSONS DECLARATION OF FIT AND PROPER**

Name: \_\_\_\_\_

NRIC/Passport No: \_\_\_\_\_

Do hereby solemnly affirm and declare the following:

No.	Criteria	YES	NO
<b>Character and Integrity</b>			
(a)	I have not 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;		
(b)	I have not contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies; <i>(For example, provisions in Bursa Malaysia Listing Requirements, Companies Act 2016)</i>		
(c)	I or any business in which I have a controlling interest or exercises significant influence, have not been investigated, disciplined, suspended, or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;		
(d)	I have not been engaged in any business practices which are deceitful, oppressive, or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on my professional conduct;		
(e)	I have not 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 my honesty and integrity;		
(f)	I have not held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while I was connected with that business;		
(g)	I have not 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, or of any licensed institution, the license of which has been revoked under any written law;		
(h)	In the past, I have not acted unfairly or dishonestly in his dealings with his customers, employer, auditors, and regulatory authorities;		
(i)	I have not at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory, and professional requirements and standards, including compliance with tax requirements and obligations;		

		YES	NO
<b>Character and Integrity</b>			
(j)	I have not contributed significantly to the failure of an organization or a business unit;		
(k)	I have not at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices;		
(l)	I am free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of my judgement when acting in the capacity of a key responsible person which would be disadvantageous to the Company;		
(m)	I am and will be able to fulfill my financial obligations, whether in Malaysia or elsewhere, as and when they fall due;		
(n)	To my knowledge, I have not been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.		
<b>Experience and Competence</b>			
(o)	I have the appropriate qualification, skills, experience and competence to effectively fulfill the role and responsibilities of my position;		
(p)	I have satisfactory past performance or expertise in the nature of the business being conducted.		
<b>Time and Commitment</b>			
(r)	I can allocate sufficient time to commit and perform my duties in the Company.		

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

<b>Explanation for items ticked "NO"</b>	
No.	Explanation

.....  
 (Signature)

Name:

Date: