



KKB ENGINEERING BERHAD & GROUP OF COMPANIES

DIRECTORS' FIT AND PROPER POLICY

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1. PURPOSE

- 1.1 This Policy sets out the fit and proper criteria for the appointment and re-election of Directors on the Board of KKB Engineering Berhad and its subsidiaries.
- 1.2 To ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of KKB Engineering Berhad and its subsidiaries.
- 1.3 The Fit and Proper Policy serves as a guide to the Nomination & Remuneration Committee (“NRC”) and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election.

2. CRITERIA

The fit and proper criteria of a Director include but are not limited to the followings:

2.1 Character and integrity

- (i) Probity
 - is compliant with legal obligations, regulatory requirements and professional standards
 - has not been obstructive, misleading or untruthful in dealing with regulatory bodies or a court
- (ii) 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 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
- (iii) Financial integrity
 - manages personal debts or financial affairs satisfactorily
 - demonstrates ability to fulfil personal financial obligations as and when they fall due
- (iv) Reputation
 - has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 5 years
 - has not been substantially involved in a mismanaged business or company

2.2 Experience and competence

- (i) Qualification, training and skills
 - possesses education qualification and knowledge that is relevant to bring onto the boardroom
 - continuously keeping abreast on professional development
- (ii) Relevant experience and expertise
 - possesses relevant experience and expertise with due consideration given to past services
- (iii) Relevant past performance or track record
 - had a career in a past organisation with commendable past performance record

2.3 Time and commitment

- (i) Able to discharge duty and devote time to the Board despite other commitments
- (ii) Willing to participate and contribute in board activities and ability to make considered judgment after hearing others' views

2.4 Independency

- 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
- 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
- Does not receive consulting/ advisory fees or payments
- Not a professional consultant or advisor
- Does not receive incentive compensation from the Company
- Not the Company's material supplier or customer and has no other material business relationship

3 **ASSESSMENT**

- 3.1 The NRC will assess each person for a new appointment or re-election of Directors based on the criteria set under **Para 2** before recommending to the Board for approval. The Board Evaluation Form is set out in **Annexure 1**.
- 3.2 For the appointment of new Director, the person is required to complete the Prospective Directors Information as set out in **Annexure 2**.
- 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 NRC shall recommend any change to the Policy as the Policy as the NRC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysia Code on Corporate Governance, Listing Requirement of Bursa Malaysia Securities Berhad or any other regulatory requirements.

(Strictly Confidential)

Annexure 1



DIRECTORS' EVALUATION FORM

Directors' Evaluation Form

Assessment Criteria	Name of Directors:
<p>Section A: Fit and Proper</p> <p>1. Has not been questioned of his/her honesty, integrity, professional conduct or business ethics/practices which are deceitful, oppressive or improper and investigated on complaints lodged.</p> <p>2. Has shown willingness to maintain effective internal control systems and risk management practices.</p> <p>3. Possesses relevant qualification, knowledge, experience and ability to understand the technical requirements, risk and management of the company's business.</p>	<p>Ratings & Comments</p> <p><i>Rating Indicator:</i> 1=Strongly Agree; 2=Agree; 3=Disagree; 4=Strongly Disagree</p> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/>
<p>Section B: Contribution and Performance</p> <p>4. Shares information or insights.</p> <p>5. Participates actively in board activities, works constructively with peers.</p> <p>6. Probes management to ensure management has taken, and suggests management to take into consideration the varying opportunities and risks whilst developing strategic plan.</p> <p>7. Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements.</p> <p>8. Receives feedback from board and/or committee and incorporates feedback obtained into decision-making process in an objective manner.</p> <p>9. Defends own stand through constructive deliberations at board and/or committee meetings where necessary.</p> <p>10. Tackles conflict and takes part in proposing solutions.</p> <p>11. Offers practical and realistic advice to board and/or committee discussions.</p> <p>12. Takes initiative to demand for additional information where necessary.</p> <p>13. Tests quality of information and assumptions.</p> <p>14. Reviews and relates short-term concerns to long-term strategy.</p> <p>15. Contributes to risk management initiatives.</p> <p>16. Contributes personal knowledge and experience into the consideration and development of strategy.</p> <p>17. Facilitates objective-oriented decision-making process.</p> <p>18. Prioritizes context of issues to be in line with objectives.</p> <p>19. Effectively and proactively follows up on areas of concern.</p> <p>20. Demonstrates willingness to devote time and effort to understand the company, its business and displays readiness to participate in events outside the boardroom such as site visits.</p> <p>21. Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting.</p> <p>22. Provides realism and practical advice to board deliberations.</p>	<p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/> <p><input type="checkbox"/></p> <hr/>

Directors' Evaluation Form (cont'd)

Assessment Criteria	Name of Directors:
Ratings & Comments	
<i>Rating Indicator: 1=Strongly Agree; 2=Agree; 3=Disagree; 4=Strongly Disagree</i>	
<u>Section C: Calibre and Personality</u>	
23. Acts in good faith and with integrity.	<input type="checkbox"/> _____
24. Attends meeting well prepared and adds value to board and/or committee meetings.	<input type="checkbox"/> _____
25. Works constructively with peers, the company secretary and senior management.	<input type="checkbox"/> _____
26. Offers insight to matters presented with requisite knowledge and skills and shares information.	<input type="checkbox"/> _____
27. Encourages others to get things done, is decisive and action-oriented.	<input type="checkbox"/> _____
28. Articulates in a non-confrontational and comprehensible manner.	<input type="checkbox"/> _____
29. Understands individual roles and responsibilities and ensures contribution is contemporary with developments.	<input type="checkbox"/> _____
30. Behavior engenders mutual trust and respect within the Board and with other key officers.	<input type="checkbox"/> _____
31. Communicate effectively with shareholders.	<input type="checkbox"/> _____
32. Constructively challenges and contributes to the development of strategy.	<input type="checkbox"/> _____
33. Scrutinizes the performance of management in meeting agreed goals and objectives and monitors reporting of performance.	<input type="checkbox"/> _____
34. Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible.	<input type="checkbox"/> _____
<u>Section D: Chairman's role</u>	
35. Chairman is able to lead to Board effectively encouraging contribution from all members.	<input type="checkbox"/> _____
36. The Chairman is not a member of Board Committees.	<input type="checkbox"/> _____
<u>Section E: Independency (Independent Director only)</u>	
37. Is not an officer or employee of the company, in the last 2 years.	<input type="checkbox"/> _____
38. Is not a family member of any executive director, officer or major shareholder.	<input type="checkbox"/> _____
39. Is not a substantial shareholder or affiliated with a substantial shareholder of the Company.	<input type="checkbox"/> _____
40. Has no material contractual relationship with the company other than as a Director.	<input type="checkbox"/> _____
41. Does not receive consulting/advisory fees or payments.	<input type="checkbox"/> _____
42. Is not a professional consultant or advisor.	<input type="checkbox"/> _____
43. Does not receive incentive compensation from the Company.	<input type="checkbox"/> _____
44. Is not the Company's material supplier or customer.	<input type="checkbox"/> _____
45. Has no other material business relationship.	<input type="checkbox"/> _____
46. Does not have any significant links with other Directors.	<input type="checkbox"/> _____
47. Has demonstrated independent judgment and character.	<input type="checkbox"/> _____

Directors' Evaluation Form (cont'd)

Assessment Criteria	Name of Directors:										
<p>Section E: Independency (Independent Director only) (cont'd)</p> <p>48. Demonstrates time commitment and thoroughness in improving the Company's performance.</p> <p>49. Possesses sufficient self-esteem and confidence to stand up for an independent point of view.</p> <p>50. Approaches any transaction that requires board's approval with a watchful eye and an inquiring mind (professional skepticism).</p> <p>51. Is unafraid to express an unpopular stance on issues or express disagreement on matters and actively pursues them with the rest of the board and with the management team.</p> <p>52. Does not shy away from asking hard and uncomfortable questions during board deliberations and willing to delve deeper if the responses provided are not satisfactory.</p>	<p style="text-align: center;">Ratings & Comments</p> <p><i>Rating Indicator: 1=Strongly Agree; 2=Agree; 3=Disagree; 4=Strongly Disagree</i></p> <table border="0"> <tr> <td style="text-align: center; vertical-align: middle;"><input type="checkbox"/></td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; width: 200px;"></td> </tr> <tr> <td style="text-align: center; vertical-align: middle;"><input type="checkbox"/></td> <td style="border-top: 1px solid black; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: center; vertical-align: middle;"><input type="checkbox"/></td> <td style="border-top: 1px solid black; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: center; vertical-align: middle;"><input type="checkbox"/></td> <td style="border-top: 1px solid black; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: center; vertical-align: middle;"><input type="checkbox"/></td> <td style="border-top: 1px solid black; border-bottom: 1px solid black;"></td> </tr> </table>	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
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Completed by : Nomination & Remuneration Committee

Name of Member : _____

Date :

Rev 2: 21.1.2022

Annexure 2**Prospective Directors Information**

PART A: PERSONAL DETAILS		
1.	Full Name	
2.	Date of Birth	
3.	NRIC No. / Passport No.	
4.	Citizenship	
5.	Permanent Address	
6.	Correspondence Address (if different from above)	
7.	Telephone No.	
8.	Email Address	
PART B: EDUCATION BACKGROUND AND WORK EXPERIENCE		
No.	Questions	Answer
1.	Educational Qualification (List all chronologically from the latest qualification)	
2.	Work Experience (List all chronologically from the latest experience to the last) (Please use separate paper if required)	
3.	What do you consider to be your core area(s) of expertise?	

Prospective Directors Information (cont'd)

PART C: DIRECTORSHIP			
1.	List of Current and Past Directorship (Please use separate paper if required)		
PART D: DECLARATION			
No.	Questions	Yes	No
1.	Do you have any relationship with any Directors in the KKBEB?		
		If yes, please state details:	
2.	Do you have any interest, both direct and indirect in the KKBEB?		
		If yes, please state details:	
3.	Do you have any relatives currently working in the KKBEB?		
		If yes, please state details:	
4.	Have you ever been committed of any commercial and criminal crimes including but not limited to traffic offence under the Laws of Malaysia?		
		If yes, please state details:	
5.	Are you currently and/or the company where you are a director been notified of any impending disciplinary or criminal proceedings or of any investigations, which might lead to such proceedings?		
		If yes, please state details:	

Prospective Directors Information (cont'd)

No.	Questions	Yes	No
6.	Have you or the company where you are a director contravene any provision made by or under any written law such as the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2016, Capital Markets and Services Act 2007 and any other applicable laws?		
		If yes, please state details	
7.	Have you or the company where you are a director been reprimanded by the regulators namely, Securities Commission Malaysia and Suruhanjaya Syarikat Malaysia?		
		If yes, please state details:	
8.	Have you involved in any business or relationship which could materially pose a conflict of interest or interfere with your judgment when acting as a director which is disadvantageous to the company?		
		If yes, please state details:	
9.	Are you currently a bankrupt?		
		If yes, please state details and steps taken to discharge yourself from the liability:	
10.	Do you hold a post in any political party?		
		If yes, please state details:	

Prospective Directors Information (cont'd)

PART E: OTHERS		
No.	Questions	
1.	What kind of time commitments do you now have for your current activities?	
2.	What would your expectations be for the time necessary for KKBEB Board?	

I, (NRIC/ Passport No:)
 hereby declare that the above responses are true and correct, as to the best of my knowledge. I further authorise the Company to conduct background check, if necessary, which may consist of prior employment verification, professional reference checks, education confirmation and/or criminal record and credit checks for the purpose of my appointment as Director of KKBEB.

Signature :

Name :

Date :

*This Director's Fit & Proper Policy is reviewed by the Nomination & Remuneration Committee on **22 February 2024.***

Rev: 0 (11.04.2022)