



**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.

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*(Strictly Confidential)*

**Annexure 1**



**DIRECTORS' EVALUATION FORM**

## Directors' Evaluation Form

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

## Directors' Evaluation Form (cont'd)

Assessment Criteria	Name of Directors:
<b>Section C: Calibre and Personality</b>	<b>Ratings &amp; Comments</b>
	<i>Rating Indicator: 1=Strongly Agree; 2=Agree; 3=Disagree; 4=Strongly Disagree</i>
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"/>
<b>Section D: Chairman's role</b>	
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"/>
<b>Section E: Independency (Independent Director only)</b>	
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:
<b>Section E: Independency (Independent Director only) (cont'd)</b>	<b>Ratings &amp; Comments</b> <i>Rating Indicator:</i> <i>1=Strongly Agree; 2=Agree; 3=Disagree; 4=Strongly Disagree</i>
48. Demonstrates time commitment and thoroughness in improving the Company's performance.	<input type="checkbox"/> _____ 
49. Possesses sufficient self-esteem and confidence to stand up for an independent point of view.	<input type="checkbox"/> _____ 
50. Approaches any transaction that requires board's approval with a watchful eye and an inquiring mind (professional skepticism).	<input type="checkbox"/> _____ 
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.	<input type="checkbox"/> _____ 
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.	<input type="checkbox"/> _____ 

Completed by : Nomination & Remuneration Committee

Name of Member : \_\_\_\_\_

Date :

Rev 2: 21.1.2022



**Annexure 2****Prospective Directors Information**

<b>PART A: PERSONAL DETAILS</b>		
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	
<b>PART B: EDUCATION BACKGROUND AND WORK EXPERIENCE</b>		
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)**

<b>PART C: DIRECTORSHIP</b>			
1.	List of Current and Past Directorship  (Please use separate paper if required)		
<b>PART D: DECLARATION</b>			
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 and approved by the Board on **24 February 2025**.*

Rev: 0 (11.04.2022)