
DIRECTORS' FIT AND PROPER POLICY

1. PURPOSE

The Directors' Fit and Proper Policy ("Policy") sets out the criteria for the appointment and re-election/re-appointment of Directors of Kumpulan Fima Berhad ("KFima" or "Company") and its subsidiaries. This Policy serves to guide the Nomination and Remuneration Committee ("NRC") and the KFima Board in their review and assessment of candidates that are to be appointed onto the Board of KFima and its subsidiaries as well as Directors who are seeking for re-election/re-appointment.

This Policy is to ensure that Directors must possess the character, integrity, relevant skillsets, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

2. FIT AND PROPER CRITERIA

The considerations underpinning the "fit and proper" criteria of Director include but not limited to the following:

(a) Character and integrity

(i)	Probity	<ul style="list-style-type: none"> • complies with legal obligations, regulatory requirements and professional standards. • has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
(ii)	Personal integrity, honesty and ethical behaviour	<ul style="list-style-type: none"> • 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. • has not abused other positions (i.e. that he/she has held) in a manner that contravenes the principles of good governance and ethics. • is not an active politician (i.e. a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party).
(iii)	Financial integrity	<ul style="list-style-type: none"> • manages personal debts or financial affairs satisfactorily. • demonstrates ability to fulfil personal financial obligations as and when they fall due. • has not been subjected to a judgement debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.
(iv)	Reputation	<ul style="list-style-type: none"> • has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years. • has not been reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Suruhanjaya Syarikat Malaysia and any other regulatory authorities both local or abroad.

		<ul style="list-style-type: none"> • has not been responsible for or contributed to or facilitated any serious misconduct or mismanagement (whether unlawful or not) in relation to the management of an entity, which were determined adversely to the person and which reflected adversely on the person's competence, diligence, honesty or integrity.
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(b) Experience and competence

(i)	Qualifications, training and skills	<ul style="list-style-type: none"> • possess qualification, experience or expertise that is relevant to the skillsets that the Director is earmarked to bring to bear onto the Board (i.e. match to the board skill set matrix). • has a considerable understanding on the workings of a corporation. • possesses general management skills as well as understanding of corporate governance and sustainability issues. • financial literacy especially able to read and understand financial statements. • keeps knowledge current based on continuous professional development. • possesses leadership capabilities and a high level of emotional intelligence.
(ii)	Relevant experience and expertise	<ul style="list-style-type: none"> • 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.
(iii)	Board effectiveness evaluation	<ul style="list-style-type: none"> • possesses commendable past performance record as gathered from the results of the annual board effectiveness evaluation.

(c) Time and commitment

(i)	Ability to discharge role having regard to other commitments	<ul style="list-style-type: none"> • able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the director across listed companies and non-listed companies (including not-for-profit organisations).
(ii)	Participation and contribution in the board or track record	<ul style="list-style-type: none"> • demonstrates willingness to participate actively in board activities. • demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom. • manifests passion in the vocation of a director. • exhibits ability to articulate views independently, objectively and constructively. • exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

3. EVALUATION OF A CANDIDATE FOR A DIRECTORSHIP OR RE-APPOINTMENT/RE-ELECTION OF DIRECTOR

- 3.1 The NRC will evaluate candidates for new appointment as Directors based on the fit and proper criteria as set out in this Policy or such other criteria as may be determined by the NRC before recommending to the Board for approval.
- 3.2 In case of appointment of Independent Directors, the NRC shall also consider the additional criteria specified for independent directors under the Bursa Malaysia Main Market Listing Requirements (Bursa LR).
- 3.3 For continuing Directors, the Directors will be evaluated based on the results of the board effectiveness evaluation that are undertaken on an annual basis either internally or by an external consultant in addition to the fit and proper assessment criteria prescribed in this Policy. The NRC or the Board, as the case may be, shall decide whether the Directors continue to fulfil the criteria of being fit and proper, taking into account the seriousness of, and circumstances surrounding any action of matter involving the Director and the passage of time since the matter had occurred.
- 3.4 For new appointments, the candidates are required to complete the directorship profile. The candidates will also be required to complete a self-declaration of fit and proper form as set out in *Appendix 1* of this Policy and authorise the Company to perform background check, if necessary.
- 3.5 The information gathered from the assessments shall be for the NRC's strict use for the purpose of the assessment and not for public disclosure.

4. REVIEW OF THE POLICY

The NRC shall review the Policy from time to time, to ensure the effectiveness of the Policy. The NRC shall discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

If any of the provisions of this Policy are inconsistent with the Bursa LR, Companies Act, 2016 or such other applicable laws, as may be amended, replaced, substituted, re-enacted from time to time (collectively "Applicable Laws"), then the provisions of Applicable Laws shall prevail over the Policy to that extent and the Policy shall be deemed to have been amended so as to be read in consonance with Applicable Laws.

Approved by the Board of Kumpulan Fima Berhad on 30 May 2022.



FIT AND PROPER DECLARATION FORM

Please provide all relevant information to demonstrate that you are considered to be fit and proper person.

		Yes	No
1.	In the past 10 years, I have not been the subject of any proceedings of a disciplinary or criminal nature, or have been notified of any impending proceedings or of any investigations, which might lead to such proceedings whether in Malaysia or elsewhere.		
2.	I have not contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence or malpractice.		
3(a)	I have not contravened any of the requirements and standards of a regulatory or professional body, government or its agencies.		
3(b)	I have not been suspended or disbarred by a professional or any other regulatory body in Malaysia or elsewhere.		
4.	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.		
5.	I have not been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position due to any issue in relation to my honesty and integrity.		
6.	In the past 10 years, I have not been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a license to conduct any trade, business or profession, or has had that registration, authorisation, membership or license revoked, withdrawn or terminated.		
7.	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.		
8.	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.		
9.	I have not in the past acted unfairly or dishonestly in the dealings with customers, employer, auditors and regulatory authorities.		
10.	I have not at anytime shown a strong objection or lack of willingness to co-operate with regulatory authorities, which in turn resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations.		

		Yes	No
11.	I have not at any time shown strong objection or lack of willingness to maintain effective internal control systems and risk management practices.		
12.	I have not contributed significantly to the failure of an organisation or a business unit.		
13.	I am not involved in 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 director which could be disadvantageous to the Company or the interest of the Company.		
14.	I have been and will be able to fulfil my financial obligations, whether within or outside Malaysia, as and when they fall due.		
15.	I have not been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether within or outside Malaysia.		
16.	I shall be able to devote sufficient time and attention required to properly discharge my fiduciary duties as Director of the Company.		

Declaration: I have read the fit and proper criteria abovementioned and in submitting this form; I declare that all information given in this application is true and correct and that I have not wilfully suppressed any material fact.

I hereby authorise the Company to ascertain information regarding my background to determine any and all information of concern to my record, whether same is of record or not. Any person, firm or organisation providing information or records in accordance with this authorisation is released from any and all claims of liability for compliance. Such information will be held in confidence in accordance with the Personal Data Protection Act, 2010 or any other relevant laws.

Submitted by:

(Signatory)

(Name)

(Date)

FORM OF DECLARATION & DISCLOSURE OF INTERESTS

I, the undersigned, do hereby declare that the information contained herein fall within my personal knowledge and are to the best of my knowledge complete, true and correct; and further declare my financial interests, non-executive directorship previously or currently held and remunerative work and consultancy positions held as follows:

1. SHAREHOLDING INTERESTS IN KFIMA	
Director's Interest/Interests of Family members/Connected Persons	Number of Shares held

2. SHARES & OTHER FINANCIAL INTERESTS IN A BUSINESS ENTITY	
Director's Interest/Interests of Family Members/Connected Persons	Number of Shares

3. NON-EXECUTIVE DIRECTORSHIP	
Name of Company	Period

4. REMUNERATED WORK / CONSULTANCY / OTHERS		
Name of Company & Occupation	Type of Business Activity	Period

and further declare that;

- a. I am not an undischarged bankrupt nor have any petition, either within or outside of Malaysia, under any bankruptcy laws, has been filed (and not struck out) or is pending or threatened against me;
- b. I am not disqualified under any law from practicing any profession;
- c. I have not been convicted in any criminal proceedings nor have been named a subject of a pending criminal proceeding, either within or outside of Malaysia;
- d. I have not been convicted of fraud or any offence nor have any action (whether civil or otherwise) of a material nature or amount, been taken against me, either within or outside of Malaysia, and there have not been nor are there enquiries or investigations made or pending within or outside of Malaysia; and
- e. I am able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the director across listed companies and non-listed companies (including not-for-profit organisations).

Remarks:

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Signed:.....

Name:.....

Date:

**NOTES TO
FORM OF DECLARATION & DISCLOSURE OF INTERESTS**

The following notes provide guidance for completing the relevant parts of the form:

Note 1 – Shares and Financial Interests in KFIMA

Disclose shares held in KFima.

“Family members/Connected Persons” mean Director’s spouse, children (including adopted and step children (Section 59(11)(c) of the Companies Act 2016) as well as any person who is connected to the Director pursuant to Section 8 of the Companies Act 2016.

Note 2 – Shares and Financial Interests in Other Business Entities

Disclose shares and other financial interests held in any private, public company, partnership or any other corporate body.

Note 3 – Non-Executive Directorship

Disclose all non-executive directorship.

Note 4 – Remunerated Work, Consultancies and Others

Disclose all remunerated work and employment.

- Remuneration means the receipt of benefits in cash or in kind.
- Work means rendering a service for which the person receives remuneration.

Disclose any interests in any consulting firm or company that provides advice or professional services.

- Nature of consultancy.
- Type of business activity