

Revision No.	00
Effective Date	24-05-2022



KIA LIM BERHAD

Company No.: 199501013667 (342868-P)

DIRECTORS' FIT AND PROPER POLICY

1. OBJECTIVES

Kia Lim Berhad and its subsidiaries (“Kia Lim”) are committed to ensuring that Directors and relevant Officers of Kia Lim are fit and proper to manage the duties and responsibilities related to the key roles they are appointed to.

The primary objectives of this Fit and Proper Policy are:

- a) To set out the fit and proper criteria for the appointment and re-appointment of Directors on the Board of Kia Lim.
- b) To ensure that each of the Directors has the character, integrity, experience, competence and time to effectively discharge his/her role as a Director of Kia Lim.
- c) To serve as a guide to the Nomination Committee (NC) 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 election or re-election.

2. APPLICATION

This policy applies to all Directors and relevant Officers in Kia Lim.

3. FIT AND PROPER CRITERIA

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

a) Character and Integrity

i. Probity

- is compliant 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

- 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
- 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

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

- is of good repute in the financial and business community
- has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past five (5) years

- 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

b) Experience and competence

- i. Qualifications, training and skills
 - possesses education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the boardroom
 - has a considerable understanding on the business and workings of a corporation
 - possesses general management skills as well as understanding of corporate governance and sustainability issues
 - keeps knowledge current based on continuous professional development
 - possesses leadership capabilities and a high level of emotional intelligence
- ii. Relevant experience and expertise
 - 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. Relevant past performance or track record
 - had a career of occupying a high-level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations
 - possesses commendable past performance record as gathered from the results of the board effectiveness evaluation

c) Time and commitment

- i. Ability to discharge role having regard to other commitments
 - able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the Director across listed issuers and non-listed entities (including not-for-profit organisations)
- ii. Participation and contribution in the board or track record
 - 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

4. ASSESSMENT

The NC will assess candidates for new appointment as Directors based on the fit and proper criteria set under item 3 before recommending to the Board for approval.

For re-appointment of Directors, the Directors will be evaluated based on the Board Effectiveness Evaluation (BEE) process. The NC has the power not to recommend to the Board the re-appointment of retiring Directors who do not meet the policy requirements.

For the appointment of new Director, the person is required to complete the Prospective Directors Information form which includes a self-declaration of fit and proper form and authorise the Company to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.

The information gathered from the assessments shall be for the NC's strict use for the purpose of the assessment and not for public disclosure.

The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

5. REVIEW OF THE POLICY

- a) The Policy has been adopted by the Board on 24 May 2022, and any subsequent amendments shall subject to the Board approval.
- b) The Policy will be periodically reviewed by the Board to ensure that it is effective in accordance with any new regulations on the disclosure obligations and practices.
- c) In the best practice of corporate governance, this Policy will be made available on the Company's website at www.kialim.com.my.