



KUMPULAN PERANGSANG SELANGOR BERHAD

(Registration No:197501002218/23737-K)

DIRECTORS' FIT & PROPER POLICY VERSION 1/2022

APPROVED BY BOARD
16 June 2022

This Policy is applicable to Kumpulan Perangsang Selangor Berhad Group of Companies

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1.0 INTRODUCTION

Paragraph 15.01A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") provides that a listed issuer must have; a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries; ensure the policy addresses board quality and integrity and will aid the listed issuer to comply with paragraph 2.20A of the MMLR of Bursa Securities; and to make available the policy on its website.

Paragraph 2.20A of the MMLR of Bursa Securities provides that every listed corporation, management company or trustee-manager must ensure that each of its directors, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, chief executive or chief financial officer, as the case may be, of the listed corporation, or the collective investment scheme.

In compliance with the above requirements and to ensure that the directors of Kumpulan Perangsang Selangor Berhad ("KPS" or "Company") possess the minimum qualification, experience and qualities, which will enable them to effectively perform their duties, KPS subscribes to the fit and proper criteria and attributes to determine continuous suitability of existing directors as well as overall suitability of the candidate (for new appointment).

Premised on the above, the Directors' Fit and Proper Policy ("DFP Policy" or "Policy") serves as a guide to the Nomination and Remuneration Committee ("NRC") and Board of the Company in the assessments of the following:

- i) The new appointment of director;
- ii) Re-election of director; and
- iii) Other circumstances as deemed necessary by the Board/NRC or whenever the Company becomes aware of information that may materially compromise a person's fitness and propriety,

1.1. Scope

The DFP Policy applies to the appointment and re-election of directors of the Company and its subsidiaries. It also guides for the selection of candidates as the Company's nominee directors on the boards of joint venture companies and associate companies.

1.2. Responsibility

- i) The Secretarial Department ("SD") of KPS is the owner of this Policy. SD is responsible for the development and maintenance of this Policy, including any reviews, changes, amendments, additions or deletions of any provision to the Policy.
- ii) The Board and NRC are primarily responsible for ensuring that all directors of the Company and KPS Group fulfil the fit and proper requirements and for conducting assessments of the fitness and propriety of the directors.
- iii) The Board is committed to ensuring that the directors have the appropriate skill and experience commensurate with the role that they hold and will make all final determinations on the fitness and propriety of the directors.

1.3. **Approving Authority**

i) **KPS**

The Board of KPS ("Board") is the approving authority of this Policy.

ii) **Subsidiary Companies**

The subsidiary companies are to adopt this Policy upon approval by their respective Boards.

1.4. **Date of Implementation**

This Policy is effective immediately upon approval by the Board. As for the subsidiary companies, this Policy is effective immediately upon further approval by the respective Boards.

1.5. **Review Frequency**

This Policy will be reviewed by SD every three (3) years at the minimum, to ensure the effectiveness of the management and implementation of this Policy.

1.6. **Reference**

This Policy is to be read in conjunction with all the relevant policies at the respective entity within the Group, procedural documents and other external guidelines, but not limited to the following:

- i) Companies Act 2016 ("CA2016");
- ii) MMLR of Bursa Securities;
- iii) Malaysian Code on Corporate Governance ("MCCG");
- iv) Bursa Malaysia Corporate Governance Guide 4th Edition ("Bursa CG Guide");
- v) Guideline on Conduct of Directors of Listed Corporations and Their Subsidiaries of Securities Commission Malaysia;
- vi) KPS Constitution;
- vii) KPS Board Charter;
- viii) KPS Directors' Code of Conduct;
- ix) NRC Terms of Reference ("TOR"); and
- x) KPS Internal Guiding Principles on Appointment of Board Committees Member(s) and Board Representative(s) in Investee Companies.

1.7. **Definition**

The key terms and acronyms appeared in this Policy shall be defined as per **Appendix 1** of the Policy.

2.0 OBJECTIVES

- i) The key objective of the DFP Policy is to set out the criteria for selection of candidates that are proposed to be appointed as directors of KPS and its subsidiaries and directors who are seeking for re-election.
- ii) The criteria are intended to guide the NRC and the Board in their review and assessment on the proposal regarding appointment and re-election of directors.
- iii) The Board is to approve such proposal and where relevant, to make a recommendation to the shareholders of the Company for approval at the annual general meeting of KPS and/or KPS Group.

3.0 STATEMENT OF POLICY

A director of the Company or any person to be appointed as a director of KPS Group must not be disqualified to act under the Sections 198 or 199 of the CA2016 and Paragraph 15.05(1) of the MMLR of Bursa Securities, and have been assessed to have met all the fit and proper criteria based on, at minimum, relating to the following:

3.1 Fit & Proper Criteria (as per Bursa CG Guide)

Any person to be appointed or re-elected as a director of the Company or its subsidiaries or a nominee director on the boards of joint venture companies and associate companies must not be disqualified and has been assessed to have met all the fit and proper criteria based on the following:

- a) Character and Integrity;
- b) Experience and Competence; and
- c) Time and Commitment.

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

3.1.1 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 ten (10) 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.

3.1.2 **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 (i.e., a match to the board skill set matrix and strategic priorities of the Company).
- has a considerable understanding on the 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 (applicable for re-election and re-appointment of directors).

3.1.3 **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.

4.0 FIT AND PROPER ASSESSMENT PROCEDURES

- 4.1.1 The NRC (with the assistance of the Company Secretary) will assess each director standing for re-election as well as a candidate identified for a new appointment as director of the Company based on the criteria set under Item 3.1 above before recommending to the Board for consideration and approval.
- 4.1.2 The fit and proper assessment may also be conducted whenever the Company becomes aware of information that may materially compromise a director's fitness and propriety.
- 4.1.3 The Declaration of Fit and Proper Form to be completed by a person who has been identified for appointment as a director or for re-election as a director is set out in **Appendix 2** of the Policy or in such other form as the NRC may determine from time to time.
- 4.1.4 Where the Board/NRC has assessed that a director is not fit and proper for a position, the Board shall not appoint the person to the said position.
- 4.1.5 Where the Board/NRC has assessed that a director is no longer and fit and proper for continue holding his office/position, the Board shall take reasonable steps and action including internal governance policies requirements to suspend the person from such position as soon as practicable and in the interim, institute necessary measures to mitigate risks associated with the person continuing to hold the position. Under these circumstances, the Board shall not recommend the director for re-election as a director.
- 4.1.6 Independent check and assessment on the candidate shall be based on publicly available information and forms part of the process in determining the suitability of the person who has been identified for new appointment and/or re-election as a director.

5.0 COMPLIANCE ON DISCLOSURE REQUIREMENTS

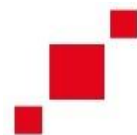
Paragraph 15.08A of the MMLR of Bursa Securities provides that a listed issuer must make a disclosure on the application of the DFP Policy in the NRC Statement ("Report") in the Annual Report of the Company for the financial year ending 31 December 2022 onwards.

6.0 EXCEPTION

Any exception from this Policy shall require the approval of the Board unless they are deemed as operational in nature.

Definition

Terms	Definition
Board	means Board of Directors of KPS
Compliance	means conformity with requirements under law or contract terms affecting the Group's operations locally and abroad.
KPS or the Company	means Kumpulan Perangsang Selangor Berhad
KPS Group or the Group	means KPS and its subsidiary companies collectively, as defined in Section 4 of the Companies Act 2016
Nomination & Remuneration Committee	means the Nomination and Remuneration Committee (NRC) of KPS
Policies	Policies as issued and approved by the Board of Directors governing the conduct and management of KPS
Secretarial Department	Means Secretarial Department of KPS



DIRECTORS' FIT AND PROPER COMPLIANCE CHECKLIST/ DECLARATION FORM

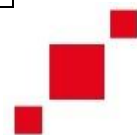
Objectives:

- 1) The purpose of this compliance checklist is to assess the relevant director(s) comply with the fit and proper criteria set out by the Company.
- 2) The fit and proper criteria is based on the underlying written law of Malaysia.
- 3) The onus is on the relevant director to establish that he/she is fit and proper person to act as a director rather for the Board to show otherwise.
- 4) This compliance checklist is applied in a manner and to the extent that is suitable to the circumstance as different appointments and designations entail different responsibilities.
- 5) The NRC and the Board will consider the nature of the responsibilities of the relevant director in determining the relative emphasis and standard that should be expected of the relevant director.
- 6) This compliance checklist is not intended to be comprehensive criteria nor replace/override the existing legislation provisions for the nomination/re-election of relevant director(s), the NRC and the Board may, in addition to the fit and proper criteria, consider other factors that may be relevant, including good standing in the profession, and the NRC and the Board may refuse the nomination/re-election.
- 7) This compliance checklist should be read in conjunctions with the existing provisions of the relevant legislation, as well as the MMLR of Bursa Securities, Malaysian Code on Corporate Governance, Companies Act 2016 and other guidelines that may issue by the Bursa Securities and Companies Commission of Malaysia from time to time pursuant to the relevant legislations.

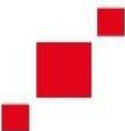
Name:.....
 NRIC/Passport No.:do hereby solemnly affirm and declare the following:

Please indicate with a tick (/)	
<input type="checkbox"/>	New appointment
<input type="checkbox"/>	Re-election

No.	Fit & Proper Criteria	Yes	No
		Please indicate with a tick (/)	
Probity, Personal Integrity and Reputation			
1	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;		
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	I have not contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;		
4	I or any business in which I have a controlling interest or exercise significant influence, have not been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;		



No.	Fit & Proper Criteria	Yes	No
		Please indicate with a tick (/)	
5	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;		
6	I have not been dismissed, asked to resign or have resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions on my honesty and integrity;		
7	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 licence to conduct any trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated;		
8	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;		
9	I have not been a director of, or have been 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 licence of which has been revoked under any written law;		
10.	In the past, I have not acted unfairly or dishonestly in my dealings with my customers, employer, auditors and regulatory authorities;		
11	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;		
12	I have not contributed significantly to the failure of an organisation or a business unit;		
13	I have not at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices;		
14	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 Director of KPS and/or KPS Group which would be disadvantageous to KPS or KPS's interest.		
Competence and Capability			
15	I have the appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position, having regard to my other commitments;		
16	I have satisfactory past performance or expertise in the nature of the business being conducted;		



No.	Fit & Proper Criteria	Yes	No
		Please indicate with a tick (/)	
Financial Integrity			
17	I am and will be able to fulfil my financial obligations, whether in Malaysia or elsewhere, as and when they fall due;		
18	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.		
19	I have not made arrangements with creditors, filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction;		
Time Commitment			
20	I'm able to devote time as a board member, having factored other outside obligations including concurrent board positions held by me as the director across listed issuers and non-listed entities (including not-for-profit organisations).		
Item 21 - 24 below are applicable to existing directors who is due for re-election			
21	I have devoted sufficient time, resources in my role as a director, having regard to my other commitments;		
22	I understand my responsibility to put the utmost important of the well being of the Company;		
23	I attend Board meeting regularly, at least more than 50% in a year;		
24	I review, deliberate and make sound decisions at the Board and Board Committee meetings.		

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

Explanation for items ticked 'NO'	
No.	Explanation

.....

(Signature)

Name:

Date:

