



FIT AND PROPER POLICY

1.0 INTRODUCTION

Kelington Group Berhad (“KGB” or “Company”) is committed to meeting its obligation under Paragraph 15.01A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad – Fit and Proper requirements. Individuals acting as “Key Responsible Persons” are required to possess the competence, character, diligence, honesty, integrity and judgement to perform properly the duties of that position, in tandem with good corporate governance practices.

Accordingly, the Company must prudently manage the risk to its business that Key Responsible Person persons acting in key positions are fit and proper.

Key Responsible Persons in the Policy refer to key persons who are accountable or responsible for the management and oversight of KGB. These comprise:

- (a) directors of KGB and its subsidiaries;
- (b) chief executive officers (CEOs) including CEO or Managing Director (MDs) of subsidiary companies;
- (c) any person performing a senior management function who has primary or significant responsibility for the management and performance of significant business activities of KGB; and
- (d) any person who has primary or significant responsibility for key control functions.

The purpose of the Policy on Fit and Proper for Key Responsible Persons (the “Policy”), is to set out the Company’s approach to the assessment of the fitness and propriety of persons who hold, or who are to be appointed or elected to, a Key Responsible Person position.

2.0 RESPONSIBILITIES

2.1 Board’s commitment and responsibility

In the application of this Policy, Board and Nomination Committee (NC) are primarily responsible for ensuring that all Key Responsible Persons fulfil fit and proper requirements and for conducting assessments of the fitness and propriety of directors and the Group CEO and CFO.

For other Key Responsible Persons, decisions on appointments and assessments of fit and proper may be made by the CEO or a designated committee under the delegated authority of the Board and NC. The Board is committed to ensuring that each person who holds a Key Responsible Person position has the appropriate skill set and experience commensurate with the role that they hold, and will make all final determinations on the fitness and propriety of responsible persons.

2.2 Responsibilities of Nomination Committee

The NC (with the assistance of the Company Secretary or Corporate Compliance & Integrity Department (“CCID”), where appropriate) is responsible for the assessment of existing directors or candidates for nomination or appointment as a director or senior management of the Company, and making recommendations to the Board on these matters.

2.3 Responsibilities of Secretarial and CCID

The Company Secretary or CCID is responsible for applying this Policy.

The Company Secretary or CCID is responsible for:

- a) Ensuring that appropriate fit and proper assessments are carried out for each responsible person;
- b) Making submissions about any matters that are relevant to a particular assessment of a responsible person's fitness and propriety;
- c) Providing information to the NC on matters concerning the procedure for fit and proper assessments; and
- d) Ensuring that the Company takes all reasonable steps to protect the information and documents collected for fit and proper assessments from misuse, unauthorised access, modifications, or disclosure.

3.0 REQUIRED NOTIFICATION

The Company Secretary or CCID must keep and maintain a current list of all Key Responsible Person position, in addition to details of the competencies and training required for each Key Responsible Person positions.

The NC must approve the list of Key Responsible Person positions maintained by the Company Secretary or CCID, and any changes to that list.

As soon as possible after a person is nominated or proposed for election or appointment to a Key Responsible Person positions, the Company will make available to that person a copy of this Policy and the details of the competencies and training required for the relevant Key Responsible Persons positions.

This Policy will also form part of the induction process for all responsible persons. The Company will also take reasonable steps to ensure that each responsible person is aware of, and fully understands this Policy, and receives a copy of the Policy before any assessment of their suitability to hold a Key Responsible Person position is conducted.

4.0 FIT AND PROPER CRITERIA

For the purpose of establishing whether a person is fit and proper to hold a Key Responsible Person position, the Company shall have regard to the person's:

- (a) **Probity, personal integrity and reputation** - person must have the personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
- (b) **Competence and capability** - person must have the necessary skills, experience, ability and commitment to carry out the role.
- (c) **Financial integrity** - person must manage his debts or financial affairs prudently. The assessment of the above criteria shall have regard to the considerations set out below in paragraph 4.1 to 4.3 of this Policy.

- (d) **Time and Commitment** – person must have ability to discharge role having regard to other commitments

4.1 Probity, Personal Integrity and Reputation

In assessing a person's level of probity, integrity and reputation to hold a position of a Key Responsible Person, the NC should consider matters including, but not limited to the following:

- (i) whether the person is or has 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;
- (ii) whether the person has been convicted by:
 - a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
 - a court of law, whether within Malaysia or elsewhere, of an offence, involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
 - a court of law of an offence under the securities laws or the corporation laws within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison.
- (iii) whether a person has contributed significantly to the failure of an organisation or a business unit;
- (iv) whether the person has been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about his honesty and integrity;
- (v) whether the person has at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices;
- (vi) whether, in the past, the person has acted unfairly or dishonestly in his dealings with his customers, employer, auditors and regulatory authorities; and
- (vii) whether the person is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgement when acting in the capacity of a key responsible person which would be disadvantageous to KGB or KGB's interest.

4.2 Competence and Capability

Competence and capability are demonstrated by a person who possesses the relevant competence, experience, and ability to understand the technical requirements of the business, the inherent risks, and the management process required to perform his role as a key responsible person in the relevant capacity effectively.

In assessing a person's competence and capability, the NC should consider matters including, but not limited to the following:

- (i) whether the person has the appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position and in the case of directors, having regard to their other commitments; and
- (ii) whether the person has satisfactory past performance or expertise in the nature of the business being conducted.

In this regard, the examples of competence and capabilities are as follows:

- (a) The person must possess the necessary experience in any of the following industries:
 - Engineering and Construction
 - Industrial Gases
 - Other relevant industries
- (b) The person must possess the necessary functional or technical expertise in any of the following areas:
 - Finance/ Accounting
 - Marketing
 - Legal
 - Risk Management
 - Senior Leadership
 - Sustainability Management
 - Human Resource
 - Other relevant function/ expertise
- (c) The person must possess the relevant working experience in a senior position of not less than 10 years.

4.3 Financial Integrity

Financial integrity is demonstrated by a person who manages his own financial affairs properly and prudently. In assessing a person's financial integrity, the NC must consider all relevant factors, including but not limited to the following:

- (i) whether the person has been and will be able to fulfil his financial obligations, whether in Malaysia or elsewhere, as and when they fall due; and
- (ii) whether the person has been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.

4.4 Time and commitment

- (i) whether the person is 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.
- (ii) whether the person is able to exhibits ability to articulate views independently, objectively and constructively.
- (iii) whether the person able to exhibits open mindedness to the views of others and the ability to make a considered judgment after hearing the views of others.

5.0 THE ASSESSMENT

- 5.1 The NC will assess each person for new appointment or re-appointment of Directors based on the criteria set under item 4.0 before recommending to the Board for approval.
- 5.2 For re-appointment of Directors, the NC will conduct an assessment based on Directors' Evaluation Form as set out in **Annexure 1** (*The questionnaires are based on Appendix V of Pull-out I of the Corporate Governance Guide 4th Edition*).
- 5.3 For the appointment of new Director, the person is required to complete the Prospective Directors Information as set out in **Annexure 2**.
- 5.4 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

6.0. REVIEW OF THE POLICY

The NC shall recommend any change to the Policy as the NC 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 Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.



Declaration Form for Key Responsible Person of Kelington Group

I, _____,

NRIC No.: _____

residing at _____

do hereby and solemnly affirm and declare the followings:

		YES	NO
A	Probity, Personal Integrity and Reputation		
(i)	whether you are or have 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.		
(ii)	whether you are or have been convicted by: <ul style="list-style-type: none"> - a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation; 		
	- a court of law, whether within Malaysia or elsewhere, of an offence, involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or		
	- a court of law of an offence under the securities laws or the corporation laws within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison.		
(iii)	whether you have contributed significantly to the failure of an organisation or a business unit.		
(iv)	whether you have been dismissed, asked to resign or has resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions about your honesty and integrity.		
(v)	whether you have at any time shown a strong objection or a lack of willingness to maintain effective internal control systems and risk management practices.		
(vi)	whether in the past, you have acted unfairly or dishonestly in your dealings with your customers, employer, auditors and regulatory authorities.		
(vii)	whether you are free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of your judgement when acting in the capacity of a key responsible person which would be disadvantageous to KGB or KGB's interest.		

Declaration Form for Key Responsible Person of Kelington Group

Page 2 of 2

		YES	NO
B	Financial Integrity		
(i)	whether you have been and will be able to fulfil your financial obligations, whether in Malaysia or elsewhere, as and when they fall due.		
(ii)	whether you have been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere. For example, have you been adjudged as a bankrupt or involved in a bankruptcy proceeding?		
C	Time and commitment <i>Applicable for Non-Executive Director:</i>		
(i)	whether you are 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.		

I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

.....

(Signature of Key Responsible Person making the declaration)

Name:

Date:

in the presence of

.....

Name:

Date:

ANNEXURE 1 – DIRECTORS’ EVALUATION FORM

The Evaluation Form provides ratings from one (1) to four (4), or ‘yes’ and ‘no’, with the indicators illustrated below, to be responded in relation to the nature of the questions:

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Yes, always	Yes, most of the time	Yes, but seldom	No
or			
4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Above average	Average	Below average	Poor
or			
Yes <input type="checkbox"/>		No <input type="checkbox"/>	
Yes		No	

Where a particular criterion is deemed not applicable, it shall be indicated as “Not Applicable” in the comment box.

Name of Director: _____

Section A: Fit and Proper

- 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.

Yes <input type="checkbox"/>	No <input type="checkbox"/>
Comment:	

- Has shown willingness to maintain effective internal control systems and risk management practices.

Yes <input type="checkbox"/>	No <input type="checkbox"/>
Comment:	

- Possesses relevant qualification, knowledge, experience and ability to understand the technical requirements, risk and management of the company’s business.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

ANNEXURE 1 – DIRECTORS' EVALUATION FORM

Section B: Contribution and performance

4. Probes management to ensure management has taken and suggests management to take into consideration the varying opportunities and risks whilst developing strategic plan (this plan may or may not be in writing as long as minutes of meeting provide a discussion of such strategy).

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

5. Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

6. Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

7. Receives feedback from board and/or committee and incorporates feedback obtained into decision-making process in an objective manner.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

8. Defends own stand through constructive deliberations at board and/or committee meetings, where necessary.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

9. Tackles conflicts and takes part in proposing solutions.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

ANNEXURE 1 – DIRECTORS’ EVALUATION FORM

--

10. Offers practical and realistic advice to board and/or committee discussions.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

11. Takes initiative to demand for additional information, where necessary.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

12. Test quality of information and assumptions.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

13. Reviews and relates short-term concerns to long-term strategy.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

14. Contributes to risk management initiatives.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

15. Contributes personal knowledge and experience into the consideration and development of strategy.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

16. Facilitates objective-oriented decision-making process.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
----------------------------	----------------------------	----------------------------	----------------------------

ANNEXURE 1 – DIRECTORS' EVALUATION FORM

Comment:

17. Priorities context of issues to be in line with objectives.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

18. Effectively and proactively follows up on areas of concern.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

19. 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.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Section C: Calibre and personality

20. Acts in good faith and with integrity.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

21. Attends meetings well prepared and adds value to board and/or committee meetings.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

22. Works constructively with peers, the company secretary and senior management.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

ANNEXURE 1 – DIRECTORS' EVALUATION FORM

23. Offers insight to matters presented with requisite knowledge and skills, and shares information.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

24. Encourages others to get things done, is decisive and action oriented.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

25. Articulates in a non-confrontational and comprehensible manner.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

26. Understands individual roles and responsibilities and ensures contribution is contemporary with developments.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

27. Behaviour engenders mutual trust and respect within the Board and with other key officers.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

28. Communicates effectively with shareholders.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

ANNEXURE 1 – DIRECTORS' EVALUATION FORM

29. Constructively challenges and contributes to the development of strategy.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

30. Scrutinises the performance of management in meeting agreed goals and objectives and monitors reporting of performance.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

31. Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible.

4 <input type="checkbox"/>	3 <input type="checkbox"/>	2 <input type="checkbox"/>	1 <input type="checkbox"/>
Comment:			

Other comments:

Checked and compiled by:

Name:
Designation:

ANNEXURE 2 – PROSPECTIVE DIRECTORS INFORMATION

Name of **KELINGTON GROUP BERHAD AND/OR ITS GROUP OF COMPANIES** (collectively referred to as “KGB Group”, individually referred to as “the Company”)
Company:

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	

ANNEXURE 2 – PROSPECTIVE DIRECTORS INFORMATION

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?	

ANNEXURE 2 – PROSPECTIVE DIRECTORS INFORMATION

Part C: Directorship

No	Questions	Answer
1	List of Current and Past Directorship (Please use separate paper if required)	

Part D: Declaration

No	Questions	Answer
1	Do you have any relationship with any Directors in KGB Group?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details: _____ _____
2	Do you have any interest, both direct and indirect in KGB Group?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details: _____ _____
3	Do you have any relatives currently working in KGB Group?	<input type="checkbox"/> Yes <input type="checkbox"/> No 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details: _____ _____ _____

ANNEXURE 2 – PROSPECTIVE DIRECTORS INFORMATION

No	Questions	Answer
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details: <hr/> <hr/> <hr/>
7	Have you or the company where you are a director been reprimanded by the regulators namely, Securities Commission Malaysia and Suruhanjaya Syarikat Malaysia?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details: <hr/> <hr/> <hr/>

ANNEXURE 2 – PROSPECTIVE DIRECTORS INFORMATION

No	Questions	Answer
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details: <hr/> <hr/> <hr/>
9	Are you currently a bankrupt?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details and steps taken to discharge yourself from the liability: <hr/> <hr/> <hr/>
10	Do you hold a post in any political party?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state details: <hr/> <hr/> <hr/>

ANNEXURE 2 – PROSPECTIVE DIRECTORS INFORMATION

PART E: OTHERS

No	Questions	Your Answer
1	What kind of time commitments do you now have for your current activities?	<hr/> <hr/> <hr/>
2	What would your expectations be for the time necessary for the Company's Board?	<hr/> <hr/> <hr/>

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 a Director of Kelington Group Berhad and/or its Group of Companies.

Signature : _____
Name : _____
Date : _____