



HCK CAPITAL GROUP BERHAD

FIT AND PROPER POLICY

Revision History

| Version | Effective Date |
|---------|----------------------------|
| 1.0 | 24 th June 2022 |

1. Purpose

- 1.1 This Policy set out the fit and proper criteria for the appointment and re-appointment of Directors on the Board of HCK Capital Group 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 HCK Capital Group Berhad and its subsidiaries.
- 1.3 Serve as a guide to the Nominating 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. Criteria

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

2.1.1 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 (e.g. 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 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

2.1.2 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)
- 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

2.1.3 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

3. The Assessment

- 3.1 The NC will assess each person for a new appointment or re-appointment of Directors based on the criteria set under item 2.1 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 required to complete the Prospective Directors Information as set out in Annexure 2.
- 3.3 The results of the assessments are part of the Company's internal documents and shall not be disclosed or provided to any other party.

4. 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.

Date :



HCK CAPITAL GROUP BERHAD

Annexure 1

DIRECTOR’S EVALUATION FORM (FOR APPOINTMENT/RE-APPOINTMENT AS DIRECTOR)

NAME OF DIRECTOR/CANDIDATE : _____

DATE OF EVALUATION : _____

INSTRUCTIONS

The purpose of this performance evaluation sheet is to assist the process for the annual evaluation of board directors, and/or evaluation prior to appointment and/or re-appointment.

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 () | 3 () | 2 () | 1 () |
| Yes, always | Yes, most of the time | Yes, but seldom | No |
| or | | | |
| 4 () | 3 () | 2 () | 1 () |
| Above average | Average | Below average | Poor |
| or | | | |
| Yes () | | | No () |
| Yes | | | No |

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

Section A: Fit and Proper

- The Director 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 () | No () |
| Comment: | |
| | |

- The Director has shown willingness to maintain effective internal control systems and risk management practices.

| | |
|----------|--------|
| Yes () | No () |
| Comment: | |
| | |

- The Director possesses relevant qualifications, knowledge, experience and ability to understand the technical requirements, risk and management of the Company's business.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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Section B: Contribution and Performance

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

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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- The Director probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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- The Director provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
| | | | |

- The Director receives feedback from Board and/or committee and incorporates feedback obtained into the decision-making process in an objective manner.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
| | | | |

8. The Director defends his/her own stand through constructive deliberations at Board and/or committee meetings, where necessary.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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9. The Director tackles conflicts and takes part in proposing solutions.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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10. The Director offers practical and realistic advice to Board and/or committee discussions.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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11. The Director takes initiative to demand for additional information, where necessary.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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12. The Director tests quality of information and assumptions.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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13. The Director reviews and relates short-term concerns to long-term strategy.

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| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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14. The Director contributes to risk management initiatives.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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15. The Director contributes personal knowledge and experience into the consideration and development of strategy.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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16. The Director facilitates objective-oriented decision-making process.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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17. The Director prioritises context of issues to be in line with objectives.

| | | | |
|-------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
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| Comment: |
| |

18. The Director effectively and proactively follows up on areas of concern.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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19. The Director 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, if any.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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Section C: Calibre and personality

20. The Director acts in good faith and with integrity.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
| | | | |

21. The Director attends meetings well prepared and adds value to Board and/or committee meetings.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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22. The Director works constructively with peers, the company secretary and senior management.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
| | | | |

23. The Director offers insight to matters presented with requisite knowledge and skills, and shares information.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
| | | | |

24. The Director encourages others to get things done, is decisive and action-oriented.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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25. The Director articulates in a non-confrontational and comprehensible manner.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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26. The Director understands individual roles and responsibilities and ensures contribution is contemporary with developments.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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27. The Director’s behaviour engenders mutual trust and respect within the Board and with other key officers.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
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28. The Director communicates effectively with shareholders.

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|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
| | | | |

29. The Director constructively challenges and contributes to the development of strategy.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
| | | | |

30. The Director scrutinises the performance of management in meeting, agreed goals and objectives, and monitors reporting of performance.

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
| | | | |

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

| | | | |
|----------|-------|-------|-------|
| 4 () | 3 () | 2 () | 1 () |
| Comment: | | | |
| | | | |

Name: _____

Name of Company: **HCK CAPITAL GROUP BHD** (the “Company” or “HCK”)

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. Business Address:
- 8. Telephone No.:
- 9. Email Address:

Part B: Education Background and Work Experience

- 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)

Part C: Directorship

- 1. List of Current and Past Directorship (Please use separate paper if required).

Part D: OTHERS

- 1. Do you have any relationship with any Directors in the HCK? If yes, please state details.
- 2. Do you have any interest, both direct and indirect in the HCK? If yes, please state details.
- 3. Do you have any immediate family or relatives currently working in the HCK? If yes, please state details.
- 4. Other than traffic offences, have you ever been convicted of any offences, public sanction or penalty imposed by the relevant regulatory bodies, within the past 5 years? If yes, please state details.
- 5. 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.
- 6. 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.
- 7. Are you currently a bankrupt? If yes, please state details and steps taken to discharge yourself from the liability.
- 8. Do you hold a post in any political party? If yes, please state details.

I, (NRIC/Passport No:) hereby declare that the above mentioned 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 HCK.

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Name:
Date: