

HeiTech®

HeiTech Padu Berhad

[199401024950 (310628-D)]

**BOARD OF DIRECTORS'
FIT AND PROPER POLICY**

Date:
Version 1.0



BOARD OF DIRECTORS' FIT AND PROPER POLICY

© HeiTech Padu Berhad
Company Number: 199401024950 (310628-D)


All rights reserved. No part of this publication may be reprinted, reproduced, stored in a retrieval system or transmitted, in any form or by any means, without the prior permission in writing form the owners.

This is the first published and distributed in November 2022.

29 November 2022 – v1.0

DOCUMENT AUTHORIZATION

The enclosed document has been reviewed and accepted by the Board of Directors of HeiTech Padu Berhad.



Tan Sri Dato' Sri Abi Musa Asa'ari Mohamed Nor
Chairman of the Board of Directors
HeiTech Padu Berhad

Document Version	Approval	Effective Date
Version 1.0	109 th Board Directors Meeting dated 29 th November 2022	29 th November 2022



1.0	INTRODUCTION	1
2.0	OBJECTIVE	1
3.0	RESPONSIBILITY 3.1. The Board's Commitment and Responsibility 3.2. NRC'S Responsibility	1
4.0	FIT AND PROPER CRITERIA 4.1. Character and Integrity i. Probity ii. Personal Integrity iii. Financial Integrity iv. Reputation 4.2. Experience and Competence i. Qualifications, training and skills ii. Relevant experience and expertise iii. Relevant past performance or track record 4.3. Time and Commitment i. Ability to discharge role having regard to other commitments ii. Participation and contribution in the board or track record 4.4. Independence (applicable to appointment and re-election of Independent Director)	 2 3 3 4
5.0	ASSESSMENT AND EVALUATION 5.1. Appointment of New Director 5.2. Re-election of Director	 4
6.0	REVIEW OF THE POLICY	5

1.0 INTRODUCTION

HeiTech Padu Berhad ("**HTP**" or "**Company**") is committed to meeting its obligations towards ensuring compliance with the relevant provisions of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and other relevant regulatory requirements.

As such, the Company has adopted the Directors' Fit and Proper Policy ("**Policy**") which set out the fit and proper criteria for the appointment and re-election of directors on the Boards of HTP and its subsidiaries.

2.0 OBJECTIVE

This **Policy** is designed to:-

- Establish a set of formal and transparent fit and proper criteria for appointment and re-election of Directors to the Board of Directors ("**Board**") of HTP and its subsidiaries (collectively, the "**Group**").
- Ensure that each of the Directors has the character, knowledge, experience, competence, integrity, relevant range of skills and time to effectively discharge his/her role as a Director of the Group.
- Serve as a guide to the Nomination & Remuneration Committee ("**NRC**") 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 appointment or re-election.

3.0 RESPONSIBILITY

3.1 The Board's Commitment and Responsibility

In the application of this Policy, the Board is primarily responsible for ensuring that all Directors fulfil fit and proper criteria and for conducting assessments of the fitness and propriety of all Directors. The Board is committed to ensuring that each Director has 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.

3.2 NRC's Responsibility

The NRC is responsible for the assessment of existing Directors or candidates for nomination or appointment or re-election as a Director of the Group, and making recommendations to the Board on these matters.

4.0 FIT AND PROPER CRITERIA

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

4.1 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; and
- has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters pertaining to the person's honesty, integrity or business conduct.

(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; and
- has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years.

(iii) Financial integrity

- manages personal debts or financial affairs satisfactorily; and
- 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 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; and
- has not been reprimanded by the Securities Commission Malaysia, Bursa Malaysia Securities Berhad, Suruhanjaya Syarikat Malaysia or any other regulatory authorities.

4.2 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
- financial literacy with ability to read and understand financial statements

(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.

4.3 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 activity in board activities
- demonstrate willingness to devote time and effort to understand the businesses and exemptions readiness to participate in events outside the boardroom
- manifests passion in the vocation of a Directors
- exhibits ability to articulate views independently, objectively and constructively

- exhibits open mindedness to the views of others and ability to make considered judgement after hearing the views of others

4.4 Independence (applicable to appointment and re-election of Independent Director)

The Director meets the criteria of an Independent Director as specified in paragraph 1.01 of the Main Market Listing Requirements and clause I of Practice Note 13 of Bursa Malaysia Securities Berhad.

5.0 ASSESSMENT AND EVALUATION

5.1 Appointment of new Director

- 5.1.1 The candidate is required to provide personal details together with education background, work experience, directorships in other public and/or public listed companies, potential conflict of interest with the Group and additional relevant information.
- 5.1.2 The candidate is required to complete the Declaration Form for Appointment as Director (**Appendix 1**).
- 5.1.3 The candidate is required to complete the Directors' Performance Self-Evaluation (**Appendix 2**).
- 5.1.4 For the appointment of Independent Director, the candidate is also required to complete the Declaration by Independent Director (**Appendix 3**).
- 5.1.5 The NRC will, based on 5.1.1, 5.1.2, 5.1.3 and 5.1.4 above, assess and evaluate individually and collectively whether the candidate fulfils the fit and proper criteria as stated in item 4 of this Policy before recommending to the Board for deliberation and approval.

5.2 Re-election of Director

- 5.2.1 The candidate is required to complete the Directors' Performance Self-Evaluation (**Appendix 2**).
- 5.2.2 For the re-election of Independent Director, the Director is required to complete the Independent Directors' Self-Assessment Checklist (**Appendix 3**).
- 5.2.3 The NRC will, based on 5.2.1 and 5.2.2 above, assess and evaluate individually and collectively whether the Director fulfils the fit and proper criteria as stated in item 4 of this Policy before recommending to the Board for deliberation and approval.

6.0 REVIEW OF THE POLICY

The NRC will review this Policy on a periodic basis or once in every two (2) years and recommend it to the Board for approval as and when necessary. The terms of this Policy shall be updated whenever there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant regulatory requirements.

DECLARATION FORM FOR APPOINTMENT AS DIRECTOR

I, _____ NRIC No: _____
residing at _____

do hereby solemnly affirm and declare that the below 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 appointment verification, professional reference checks, education confirmation and/or criminal record and credit checks for the purpose of my appointment as a Director of HeiTech Padu Berhad and/or its subsidiaries:-

		YES	NO
<u>Character and Integrity - Probity</u>			
(i)	whether you are in compliant with legal obligations, regulatory requirements and professional standards		
(ii)	whether you have been obstructive, misleading or untruthful in dealings with regulatory bodies or a court		
<u>Character and Integrity - Personal integrity</u>			
(iii)	whether you have perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on your professional conduct		
(iv)	whether your service contract (i.e. in the capacity of management or Director) had been terminated in the past due to concerns on personal integrity		
(v)	whether you have abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance		
(vi)	I am mentally and physically fit to render statutory duties		
<u>Character and Integrity - Financial integrity</u>			
(vii)	whether you have been the subject of a judgement debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere		

(viii)	whether you have been and will be able to fulfil your financial obligations, whether in Malaysia or elsewhere, as and when they fall due		
<u>Character and Integrity - Reputation</u>			
(ix)	whether you have been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years		
(x)	Whether you have 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		
<u>Experience and competence – Time and commitment</u>			
(xi)	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 (including not-for-profit organisations)		
<u>Conflict of Interest</u>			
(xii)	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 Director which would be disadvantageous to the Group's interest		

(Signature of Candidate/Director making the declaration)

Name :

Date :



**BOARD OF DIRECTORS'
FIT AND PROPER POLICY**

APPENDIX 2

DIRECTORS' PERFORMANCE SELF-EVALUATION

No.	Areas of Evaluation	Yes	No	Remarks
(a)	High level of knowledge about the mission, goals and programs of HTP.			
(b)	Actively support and promote the vision and mission of HTP.			
(c)	Well understand the progress made by the Company over the past years in achieving Company's objective.			
(d)	Able to contribute to the Board and provide guidance to Management and make independent judgement			
(e)	Actively participate in board discussion and deliberations.			
(f)	Able to identify and nominate potential nominees to the Board.			
(g)	Devotes sufficient time and commitment in attending the annual meeting or other Company's events.			
(h)	High knowledge on the Company's financial status including the year-to-date performance under the financial budget.			
(i)	Well understand on the legal and fiduciary responsibilities as Director of Company, including the duties of care, loyalty and obedience.			
(j)	Concerns have been addresses, if any, in regards to the conflict of interest between the Board's responsibilities			
(k)	Well prepared by go through the meeting agenda and material that has been distributed before the Board meeting.			

Name :
Designation :
Date :



**BOARD OF DIRECTORS'
FIT AND PROPER POLICY**

APPENDIX 3

DECLARATION BY INDEPENDENT DIRECTOR

To: Nomination and Remuneration Committee of HeiTech Padu Berhad (“HTP”)

I, **[Director]**, hereby take note that an “Independent Director” means a Director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of HTP.

Without limiting the generality of the foregoing, I hereby confirm that:-

- (a) I am not an Executive Director of HTP or any related corporation of HTP (HTP and any related corporation is referred to as “**said Corporation**”);
- (b) I am not and have not been within the last 3 years and is not an officer (except as an independent director) of the said Corporation. For this purpose, “**Officer**” has the meaning in Section 2 of the Companies Act 2016;
- (c) I am not a major shareholder of the said Corporation;
- (d) I am not a family member of any Executive Director, officer or major shareholder of the said Corporation;
- (e) I am not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;
- (f) I have not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Malaysia Securities Berhad (“**Bursa Securities**”), or is not presently a partner, Director (except as an Independent Director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by Bursa Securities; or
- (g) I have not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the said Corporation) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities.

I undertake to inform HTP immediately if there are any changes which could interfere with the exercise of my independent judgment or the ability to act in the best interest of HTP.

Name :
Designation :
Date :