

HIL INDUSTRIES BERHAD
(Registration No.: 196901000472 [8812-M])

HIL INDUSTRIES BERHAD

DIRECTORS' FIT AND PROPER POLICY

Approved by the Board on 30 May 2022

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1. OVERVIEW

- 1.1 The Directors' Fit and Proper Policy ("Policy") of Hil Industries Berhad ("**HIL**" or "**the Company**") requires all members of the Board to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.
- 1.2 The Company is obliged to comply with the requirements contained in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") and the Malaysian Code on Corporate Governance as at 28 April 2021 ("**MCCG**"). Reference was also made to the guidance provided in Bursa Securities' *Corporate Governance Guide (4th Edition)*.
- 1.3 The fit and proper assessment of any person identified to be appointed as a Director or to continue holding the position as a Director within HIL shall be conducted prior to the appointment or proposed re-election as a Director. The fit and proper assessment of a Director may also be conducted whenever HIL becomes aware of information that may materially compromise a Directors' fitness and properness.
- 1.4 The Nominating Committee ("**NC**") and the Board, in conducting the above fit and proper assessment, shall be guided by the criteria as described in Paragraph 2.

2. GUIDELINES ON THE FIT AND PROPER CRITERIA

- 2.1 Any person to be appointed as a Director or to continue holding the position as a Director must not be disqualified or deemed to be disqualified or vacated his office pursuant to the Companies Act 2016 ("**the Act**").
- 2.2 In assessing whether a person is fit and proper to hold directorship in HIL, the Board, through its NC, shall be guided by the following criteria:

(a) Character and Integrity

(i)	Probity	<ul style="list-style-type: none">• The person is compliant with legal obligations, regulatory requirements and professional standards, where applicable.• The person has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.
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2.2 (a) Character and Integrity (Continued)

(ii)	Personal integrity	<ul style="list-style-type: none"> • The person 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. • The person's service contract (i.e. in the capacity of management or as a director) had not been terminated in the past due to concerns on their personal integrity. • The person has not abused other positions (that they have held) in a manner that contravenes the principles of good governance.
(iii)	Financial integrity	<ul style="list-style-type: none"> • The person manages personal debts or financial affairs satisfactorily. • The person demonstrates the ability to fulfil personal financial obligations as and when they fall due. • The fact that the person may be of limited financial means does not in itself, affect the person's ability to satisfy the financial integrity criteria.
(iv)	Reputation	<ul style="list-style-type: none"> • The person is of good repute in the financial and business community. • The person has not been the subject of civil or criminal proceedings or enforcement action in managing or governing an entity for the past 10 years. • The person 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.

2.2 (b) Experience and Competence

(i)	Qualifications, training and skills	<ul style="list-style-type: none"> • The person possesses education qualification that is relevant to the skill set that such director is earmarked to bring or to bear onto the boardroom (i.e. a match to the Board skill set matrix). • The person has considerable understanding on the workings of a corporation. • The person possesses general management skills as well as an understanding of corporate governance and appreciation of sustainability issues. • The person keeps knowledge current based on continuous professional development. • The person possesses leadership capabilities and a high level of emotional intelligence.
(ii)	Relevant experience and expertise	<ul style="list-style-type: none"> • The person 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	<ul style="list-style-type: none"> • The person had a career of occupying a high-level position in a relevant organisation and was accountable for driving or leading the organisation's governance, business performance or operations. • The person possesses commendable past performance record as gathered from the results of the Board Effectiveness Evaluation.

2.2 (c) Time and Commitment

(i)	Ability to discharge role having regard to other commitments	<ul style="list-style-type: none"> 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 (including not-for-profit organisations).
(ii)	Participation and contribution in the board or track record	<ul style="list-style-type: none"> The person demonstrates willingness to participate actively in Board activities. The person demonstrates willingness to devote time and effort to understand the business and exemplifies readiness to participate in events outside the Boardroom. The person manifests passion in the vocation of a director. The person exhibits ability to articulate views independently, objectively and constructively. The person exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

(d) Independence criteria

If a person is to be appointed or re-elected as an Independent Director, then that person must meet the requisite independence criteria as stipulated in the Listing Requirements.

(e) Any other criteria

Any other criteria the NC and the Board may determine from time to time as they deem fit.

3. THE ASSESSMENT

A person who has been identified for appointment as a Director or for re-election as a Director shall be required to make the fit and proper declaration in the form as set out in **Annexure A** of this Policy or in such other forms as the NC may from time to time prescribe or approve.

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

4. VACATION/CESSATION OF OFFICE

The office of a Director shall be vacated if the Director:

- (a) resigns his office by notice in writing to the Company;
- (b) becomes disqualified from being a Director under Sections 198 or 199 of the Act;
- (c) ceases to be or is prohibited from being a Director by virtue of the Act or the Listing Requirements;
- (d) retires and is not re-elected at a general meeting of the Company;
- (e) is removed from his office as Director by ordinary resolution of the Company in a general meeting of which special notice has been given in accordance with Section 206(3) of the Act;
- (f) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (g) dies;
- (h) is absent from more than 50% of the total Board of Directors' meetings held during a financial year; or
- (i) becomes an active politician.

5. REVIEW

The NC shall review and update this policy periodically and recommend to the Board on any changes required for its approval whenever there are changes to the MCGG, Listing Requirements and/or any other relevant regulatory requirements.

DIRECTORS' FIT AND PROPER DECLARATION FORM

PART A: PERSONAL DETAILS

1.	Full Name	
2.	NRIC No. / Passport No.	
3.	Date of Birth	
4.	Nationality	
5.	Permanent Address	
6.	Correspondence Address (Leave blank if similar to the above)	
7.	Contact details	
8.	E-mail address	

PART B: ACADEMIC QUALIFICATIONS AND WORKING EXPERIENCE

1.	Academic qualifications	
2.	Working experience	

PART C: PRESENT DIRECTORSHIPS IN LISTED ISSUERS

[Pursuant to Paragraph 15.06 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”)]

1.	Present Directorship <i>(Includes position held)</i>	
2.	Past Directorship <i>(Includes position held)</i>	

PART D: DECLARATION

1.	Do you have any family or business relationship with any Director / Management / Major Shareholders of HIL which could materially pose a conflict of interest or interfere with your judgment when acting as a director which is disadvantageous to the Company?	Yes, please state details	No
2.	Do you hold any equity interest, both direct and indirect, in HIL?	Yes, please state details	No
3.	Have you been convicted by a court of law, whether within Malaysia or elsewhere, of any commercial offences or criminal offences or been involved in any impending disciplinary or criminal proceedings or of any investigations which might lead to such proceedings within the past 10 years?	Yes, please state details	No
4.	Have you contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies including but not limited to the Securities Commission of Malaysia and the Companies Commission of Malaysia?	Yes, please state details	No

PART D: DECLARATION (Continued)

5.	Have you or your Company where you are a Director been reprimanded / sanctioned / penalized by the regulators namely the Securities Commission of Malaysia and/or the Companies Commission of Malaysia?	Yes, please state details	No
6.	Have you been dismissed, asked to resign or resigned from employment or from a position of trust, fiduciary appointment or similar position because of questions on your honesty and integrity?	Yes, please state details	No
7.	Are you able to fulfil your financial obligations, whether in Malaysia or elsewhere, as and when they fall due?	Yes	No, please state details
8.	Have you been prohibited from being a director of a company or in any way, whether directly or indirectly, taking part in the management of a company in Malaysia and/or other jurisdictions pursuant to a court order made under Section 199 of the Companies Act 2016 (<i>Power of Court to disqualified persons from acting as director or promoter</i>) and/or any relevant laws outside the jurisdiction of Malaysian courts?	Yes, please state details	No
9.	Are you currently a bankrupt?	Yes, please state details	No
10.	In your opinion, do you possess the necessary skills, knowledge, expertise, diligence and soundness of judgment that is required to undertake, fulfill and discharge your duties and responsibilities as a Director of HIL?	Yes	No, please state details
11.	Do you hold a position in any political party?	Yes, please state details	No

PART D: DECLARATION (Continued)

12.	If you are appointed or re-elected as an Independent Director, do you meet the requisite independence criteria as stipulated in the Listing Requirements?	Yes	No, please state details
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PART E: OTHERS

1.	Are you able to commit and devote time as needed to discharge the duties and responsibilities as a Director of HIL?	Yes	No, please state details
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I, _____, (NRIC/Passport No: _____), hereby declare that the above responses are true and correct to the best of my knowledge. I further authorise HIL to conduct background checks, if necessary, which may include but not limited to prior employment verification, professional reference checks, education confirmation and/or criminal records and credit checks prior to my appointment or proposed re-election as a Director of HIL.

Name:

Date: