



## **DIRECTORS' FIT AND PROPER POLICY**

### **Purpose**

This Policy set out the fit and proper criteria for the appointment, election and re-election of Directors on the Boards of QL Resources Berhad (the "Company" or "QL") and its subsidiaries.

The criteria set is to ensure that each of the Directors has the character, integrity, experience, competence, commitment and time to effectively discharge his/her role as a Director of QL and its subsidiaries.

This Policy has been prepared to ensure compliance with the relevant provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and the Malaysian Code on Corporate Governance 2021 ("MCCG"). Reference was also made to the guidance provided in Bursa Securities' Corporate Governance Guide (4th Edition).

### **Criteria**

The Fit and Proper Policy serves as a guide to the Nominating Committee ("NC") and the Board in their review and assessment of the fitness and propriety of candidates that are to be appointed onto the Board and Directors who are seeking for election or re-election. The fit and proper criteria of a Director include but not limited to the following:

- Character and Integrity
  - (i) Probity
    - is compliant with legal obligations, regulatory requirements and professional standards; and
    - has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court of law.
  - (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; and



- 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 and with good financial standing based on report from a credit rating agency; 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 the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 10 years; and
  - has not been substantially involved in the management of a business or company which has failed (including a GN3 or PN17 company), where that failure has been occasioned in part by deficiencies in that management.
- Experience and competence
  - (i) Qualifications, training and skills
    - has the appropriate qualification, training, skills, practical experience and commitment to effectively fulfil the role and responsibilities of the position;
    - has a considerable understanding on the business and workings of a corporation;
    - possesses general management skills of at least 5 years 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; and
    - is not an active politician and has not held a position with high political influence in the past five (5) years.



- (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 a senior management or high-level position in a comparable organisation for at least 5 years, and was accountable for driving or leading the organisation's governance, business performance or operations; and
  - possesses commendable past performance record as gathered from the results of the board effectiveness evaluation or based on the financial and non-financial performance of the corporation where the person identified for appointment as a director was involved.
- 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 in other listed issuers (taking into consideration his/her board attendance records) and non-listed entities (including not-for-profit organisations);
  - (ii) Participation and contribution in the board or track record (applicable for re-election of existing directors only)
    - 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; and
    - exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.



### **Monitoring and reporting**

Disclosures of the activities of the NC, which is provided in QL's Annual Report and Corporate Governance Report shall include the application of the Company's fit and proper policy in the nomination and election of its directors [Paragraph 15.08A(3) of MMLR].

### **Administrative matters**

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 MCCG, MMLR or any other regulatory requirements.

All revision or amendments to this Policy as recommended by the NC will be submitted to the Board for consideration and approval.

### **Declaration**

The candidates that are to be appointed onto the Board and Directors who are seeking for election or re-election are required to complete their Declaration Form as per Appendix attached.



**QL RESOURCES BERHAD**  
**Reg. No. 199701013419 (428915-X)**

**DECLARATION IN COMPLIANCE WITH THE COMPANY'S  
FIT AND PROPER POLICY**

*(Applicable to prospective Director and retiring Director standing for re-election)*

<b>SECTION I: PROFILE</b>	
Personal Details	
Name	
NRIC	
Age	
Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female
Residential Address	
Nationality	
Qualification	
Experience	

DECLARATION IN COMPLIANCE WITH THE COMPANY'S FIT AND PROPER POLICY

**SECTION II: DIRECTORSHIP IN ANY OTHER CORPORATIONS**

Are you a Director of any other corporations?  
 No       Yes *(Please provide details of such corporation)*

Name of Corporation (including foreign companies)	Nature of Business	Date of appointment as Director	Nature of Appointment (Executive/Non-Independent Non-Executive or Independent)	Shareholdings Held

**SECTION III: RELATIONSHIP WITH DIRECTORS AND/OR FAMILY MEMBERS**

1) Do you have any relationship with any Directors of the Group, i.e., the Company and any of its subsidiaries?  
 No     Yes *(Please provide details)* \_\_\_\_\_  
 \_\_\_\_\_

2) Do you have any relatives and/or family members currently working in the Group?  
 No     Yes *(Please provide details)* \_\_\_\_\_  
 \_\_\_\_\_

DECLARATION IN COMPLIANCE WITH THE COMPANY'S FIT AND PROPER POLICY

<b>SECTION IV: ASSESSMENT OF FIT AND PROPER CRITERIA</b> <i>(i.e., in relation to character and integrity, experience and competence, and time and commitment)</i>	
1)	<p>Have you been dismissed or 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?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
2)	<p>Have you ever been disqualified from acting as Director or in Management capacity of any company or organisation?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
3)	<p>Have you ever abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
4)	<p>Are you able to fulfill your financial obligations, whether in Malaysia or elsewhere, as and when they fall due?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes</p> <p><i>If No, (Please provide details)</i> _____</p> <p>_____</p>
5)	<p>Have you ever been the subject of a judgment debt which was unsatisfied, either in whole or in part, whether in Malaysia or elsewhere?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
6)	<p>Have you ever been declared a bankrupt or entered into a composition or arrangement with creditors?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>

DECLARATION IN COMPLIANCE WITH THE COMPANY'S FIT AND PROPER POLICY

<b>SECTION IV: ASSESSMENT OF FIT AND PROPER CRITERIA</b> <i>(i.e., in relation to character and integrity, experience and competence, and time and commitment)</i> (cont'd)	
7)	<p>Have you ever been charged or convicted in any court of any criminal offence, including an offence relating to dishonesty, fraud, financial crime or other criminal acts or be involved in any acts of misfeasance or serious misconduct for the past 10 years?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
8)	<p>Have you ever held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation (including a GN3 or PN7 company) while you were connected with that business?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
9)	<p>Have you ever contravened any of the requirements or standards of a regulatory body, professional body, government or its agencies?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
10)	<p>Have you ever acted unfairly or dishonestly in any dealings with customers, vendors, auditors or regulatory authorities?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
11)	<p>Have you ever at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities, resulting in a failure or potential failure to comply with legal, regulatory or professional requirements or standards, including compliance with tax requirements or obligations?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
12)	<p>Have you ever at any time shown strong objection or a lack of willingness to maintain effective internal control systems or risk management practices?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>



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<b>SECTION IV: ASSESSMENT OF FIT AND PROPER CRITERIA</b> <i>(i.e., in relation to character and integrity, experience and competence, and time and commitment) (cont'd)</i>	
13)	<p>Are you free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of your judgment when acting in the capacity of a key responsible person which would be disadvantageous to the Group or the Group's interest?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes</p> <p><i>If No, (Please provide details)</i> _____</p> <p>_____</p>
14)	<p>Do you have the appropriate qualification, training, skills, practical experience and commitment to effectively fulfill the role and responsibilities of the position of Director?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
15)	<p>Do you possess the relevant knowledge, experience and ability to understand the technical requirements, risk and management of at least 5 years as well as understanding of corporate governance and sustainability issues of the Group's business?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
16)	<p>Do you keep knowledge current based on continuous professional development?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
17)	<p>Have you ever been an active politician and held a position with high political influence in the past 5 years?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>

DECLARATION IN COMPLIANCE WITH THE COMPANY'S FIT AND PROPER POLICY

<b>SECTION V: INDEPENDENCE CRITERIA</b> <i>(To be completed by Independent Director only)</i>	
1)	<p>Are you an Executive Director of the Company, its subsidiary, holding company or any related corporations?</p> <p><input type="checkbox"/> No   <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
2)	<p>Have you been, within the last 3 years, an Officer<sup>1</sup> (except as a Non-Executive Director) of the Company, its subsidiary, holding company or any related corporations?</p> <p><input type="checkbox"/> No   <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
3)	<p>Are you a major shareholder<sup>2</sup> of the Company, its subsidiary, holding company or any related corporations?</p> <p><input type="checkbox"/> No   <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
4)	<p>Are you a family member<sup>3</sup> of an Executive Director, Officer or Major shareholder of the Company or any of its related corporations, or a partner of such family member?</p> <p><input type="checkbox"/> No   <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
5)	<p>Have you been acting as a nominee or representative of an Executive Director or major shareholder of the Company or any of its related corporations?</p> <p><input type="checkbox"/> No   <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
6)	<p>Have you personally provided professional advisory services to the Company or any of its related corporations within the last 3 years, where the consideration in aggregate was more than 5% of your gross revenue on a consolidated basis or RM1 million, whichever was the higher?</p> <p><input type="checkbox"/> No   <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>

DECLARATION IN COMPLIANCE WITH THE COMPANY'S FIT AND PROPER POLICY

<b>SECTION V: INDEPENDENCE CRITERIA</b> <i>(To be completed by Independent Director only)</i> <i>(cont'd)</i>	
7)	<p>Are you presently a Partner, Director (except as an Independent Director) or major shareholder of a firm ("Entity") which has provided professional advisory services to the Company or any of its related corporations within the last 3 years, where the consideration in aggregate was more than 5% of the gross revenue on a consolidated basis (where applicable) of the Entity or RM1 million, whichever was the higher?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
8)	<p>Have you engaged personally in transactions<sup>4</sup> with the Company or any of its related corporations (other than for Board service as a Non-Executive Director) within the last 3 years, where the consideration in aggregate exceeded 5% of your gross revenue on a consolidated basis (where applicable) or RM1 million, whichever was the higher?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
9)	<p>Are you presently a Partner, Director or a major shareholder of a firm ("Entity") which has engaged in transactions with the Company or any of its related corporations within the last 3 years, where the consideration in aggregate was more than 5% of the gross revenue on a consolidated basis of the Entity or RM1 million, whichever was the higher?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
10)	<p>Are you a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of a Director, Officer or major shareholder of the Company or any of its related corporations?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
11)	<p>Are you a Director of a body corporate which is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director, Officer or major shareholder of the Company or any of its related corporations?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>

DECLARATION IN COMPLIANCE WITH THE COMPANY'S FIT AND PROPER POLICY

<b>SECTION V: INDEPENDENCE CRITERIA</b> <i>(To be completed by Independent Director only)</i> <i>(cont'd)</i>	
12)	<p>Are you a person in accordance with whose directions, instructions or wishes, a Director, Officer, or major shareholder of the Company or any of its related corporations is accustomed or is under an obligation, whether formal or informal, to act?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
13)	<p>Are you a Director of a body corporate in accordance with whose directions, instructions or wishes, a Director, Officer or major shareholder of the Company or any of its related corporations is accustomed or is under obligation, whether formal or informal, to act?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
14)	<p>Have you been receiving performance-based remuneration or incentives from the Company, its subsidiaries, holding company or any related corporations?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>
15)	<p>Are you a Director, Officer, major shareholder or beneficiary of a not-for-profit entity (including charitable organisation) that receives significant contributions from the Company or any of its related corporations or a family member to such Director, Officer or major shareholder or beneficiary?</p> <p><input type="checkbox"/> No    <input type="checkbox"/> Yes <i>(Please provide details)</i> _____</p> <p>_____</p>

DECLARATION IN COMPLIANCE WITH THE COMPANY'S FIT AND PROPER POLICY

**I hereby confirm, to the best of my knowledge and belief, that all the information provided above is true and correct to assist the Company in assessing my fitness and propriety under the Fit and Proper Policy.**

.....  
Name:  
Designation:  
Date:

**Fit and Proper Assessment conducted by:**

.....  
Name:  
Designation:  
Date:

DECLARATION IN COMPLIANCE WITH THE COMPANY'S FIT AND PROPER POLICY

**Footnotes**

<sup>1</sup>Officer: means the chief executive, the chief operating officer, the chief financial controller or any other person primarily responsible for the operations or financial management of the Company, its subsidiaries, holding company or any related corporation.

<sup>2</sup>Major Shareholder: means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is –  
(a) 10% or more of the total number of voting shares in the Company; or  
(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

<sup>3</sup>Family member: a person who falls within any one of the following categories:  
• parent;  
• son or daughter (including adopted son or daughter);  
• step-son or step-daughter;  
• son-in-law or daughter-in-law;  
• brother or sister (including their spouse); or  
• spouse.

<sup>4</sup>transactions: include, where applicable:  
• the acquisition, disposal or leasing of assets;  
• the establishment of joint ventures;  
• the provision of financial assistance;  
• the provision or receipt of services; or  
• any business transaction or arrangement entered into,  
by the Company, its subsidiaries, holding company or any related corporations.

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