



HARN LEN CORPORATION BHD

200001000001 (502606-H)

Directors' Fit and Proper Policy

1.0 OBJECTIVES

- 1.1 This policy sets out the fit and proper criteria for the appointment and re-appointment of Directors on the Board of Harn Len Corporation Bhd and its subsidiaries (collectively referred to as “Harn Len Group”).
- 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 Han Len Group.
- 1.3 This policy serves to guide the Nomination Committee and the Board in their review and assessment of candidates that are to be appointed onto the Board of Harn Len Group as well as Directors who are seeking for re-election.

2.0 SCOPE

This policy covers existing and potential member of the Board.

3.0 POLICIES

- 3.1 To assess whether a person is fit and proper to hold Directorship in Harn Len Group, Nomination Committee and the Board should consider the criteria including, but not limited to the following:
 - 3.1.1 Character and integrity
 - (a) 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
 - (b) 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

3.0 POLICIES (Cont'd)

- 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

(c) Financial integrity

- prudent management of personal financial affairs including managing debts satisfactorily
- demonstrates ability to fulfil personal financial obligations as and when they fall due
- has not filed for bankruptcy or been adjudicated a bankrupt or had assets sequestered in any jurisdiction

(d) 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.

3.1.2 Experience and competence

(a) Qualifications, training and skills

- possesses 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 as well as understanding of internal control, risk management, corporate governance and sustainability issues
- keeps knowledge current based on continuous professional development
- possesses leadership capabilities and a high level of emotional intelligence

3.0 POLICIES (Cont'd)

(b) Relevant experience, expertise or track record

- 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
- has 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.

3.1.3 Time and commitment

(a) 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 companies and non-listed companies (including not-for-profit organizations)

(b) 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