



# **HARTANAH KENYALANG BERHAD**

[Registration No: 202401034991 (1580838-V)]

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**FIT AND PROPER POLICY**

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## **1.0 OBJECTIVE**

- 1.1 This Fit and Proper Policy ("Policy") serves as a guide to the Nomination and Remuneration Committee ("NRC") and the Board of Directors ("Board") to review and assess the potential candidates for the appointment as Directors of the Company as well as Directors who are seeking for re-election in Hartanah Kenyalang Berhad (the "Company") and its subsidiaries ("Group").
- 1.2 This Policy is to ensure that Directors of the Company possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders, and as prescribed under Rule 2.20A of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad.

## **2.0 FIT AND PROPER CRITERIA**

- 2.1 A candidate undergoing the fit and proper assessment must first not be disqualified from being a director pursuant to the prevailing laws and regulations of Malaysia (in the case of the Company) or the jurisdiction of incorporation of the Company's subsidiary.
- 2.2 In assessing if a candidate met the criteria under this Policy, the Board and NRC should consider factors which includes but are not limited to the following:

### **A. 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.
- Has not been reprimanded or disqualified or removed by a professional or regulatory body in relation to matters in respect 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 no concurrent responsibilities or interest which would contribute to a conflict of interest situation or otherwise impair the ability to discharge duties and responsibilities as director of the company and/or its subsidiaries.
- 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.
- Demonstrates ability to fulfil personal financial obligations as and when they fall due.
- Has not been subjected to a judgment debt which is unsatisfied, either in whole or in part whether in Malaysia or elsewhere.

**(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 (including a GN3 or PN17 company), where that failure has been occasioned in part by deficiencies in that management.

**B. 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 and strategic priorities of the Company).
- Has a considerable understanding on the workings of a corporation.
- Possesses general management skills as well as understanding of corporate governance and sustainability issues.
- Has financial literacy especially able to read and understand financial statements.
- 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**

- In a senior management or 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 (applicable for re-election and reappointment of directors) or based on the financial and non-financial performance of the corporation where the person identified for appointment as a director was involved.

**C. Time and Commitment**

**(i) Ability to Discharge Role Having Regard to Other Commitments**

- Able to devote time as a board member, having factored in other outside obligations including existing board positions held by the director in other listed issuers (taking into consideration his 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 exiting 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.
- Exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

### **3.0 EVALUATION OF NEW APPOINTMENT AND RE-ELECTION OF DIRECTORS**

- 3.1 The NRC is responsible to evaluate each candidate based on the fit and proper criteria as set out in paragraph 2.2 above before making the relevant recommendation to the Board on the proposal regarding new appointment and re-election of directors for approval.
- 3.2 For re-election of Directors, the Directors will be evaluated by the NRC based on the annual board assessments as well as the fit and proper criteria set out in paragraph 2.2 above before recommending to the Board for approval.
- 3.3 For new appointments, the candidates are required to complete the fit and proper declaration forms and authorise the Company to perform the relevant background checks, if necessary.

### **4.0 REVIEW**

- 4.1 The NRC is responsible for regular review of the Policy and making any recommended changes to the Board for approval as and when necessary.